

Annual Activity Report 2025

Directorate-General for Agriculture
and Rural Development

Contents

Contents	2
DG AGRI IN BRIEF.....	4
EXECUTIVE SUMMARY	6
A. Key results and progress towards achieving the Commission’s general objectives and department’s specific objectives	6
B. Key performance indicators.....	8
C. Key conclusions on internal control and financial management.....	9
D. Provision of information to the Commissioner.....	10
1. KEY RESULTS AND PROGRESS TOWARDS ACHIEVING THE COMMISSION’S GENERAL OBJECTIVES AND SPECIFIC OBJECTIVES OF THE DEPARTMENT.....	11
General objective 1: A new plan for Europe’s sustainable prosperity and competitiveness	11
Specific Objective 1.1: Strengthen the attractiveness of the agri-food sector for new and current generations and improve its long-term sustainable competitiveness.....	11
Specific Objective 1.2: Support research and innovation (R&I) and enhance the access and use of R&I, knowledge, digitalisation and skills.....	13
General objective 3: Supporting people, strengthening our societies and our social model.....	15
Specific Objective 3.1: Building stronger connections between people and food and ensuring fair working and living conditions in attractive rural areas.....	15
General objective 4: Sustaining our quality of life: food security, water and nature.....	16
Specific Objective 4.1: Help farmers earn a fair and sufficient income, including through reinforcing the position of farmers in the food chain	16
Specific Objective 4.2: Boost the resilience of the agri-food sector and improve farmers' contribution to food security and their ability to cope with risks and crises	17
Specific Objective 4.3: Supporting an agri-food sector that enhances climate action, ecosystem services provision, conservation and restoration of biodiversity and natural resources	18
General objective 6: A global Europe: Leveraging our power and partnerships.....	19
Specific Objective 6.1: Promote the EU’s strategic autonomy, fair competition in global agri-food trade and foster international dialogue	19

2. INTERNAL CONTROL AND FINANCIAL MANAGEMENT	22
2.1. Control results	22
2.1.1. Overview of the budget and relevant control systems.....	22
2.1.2. Effectiveness of controls.....	23
2.1.3. Efficiency.....	40
2.1.4. Economy of controls	42
2.1.5. Conclusion on the cost-effectiveness of controls.....	43
2.2. Audit observations and recommendations	44
2.3. Assessment of the effectiveness of internal control systems.....	47
2.4. Conclusions on the assurance	47
2.5. Declaration of Assurance and reservations	50
3. A MODERN AND SUSTAINABLE PUBLIC ADMINISTRATION	51
3.1. Human resource management.....	51
3.2. Digital transformation and data management.....	51
3.3. Sound environmental management.....	54

DG AGRI IN BRIEF

The vision of the Directorate-General for Agriculture and Rural Development (DG AGRI) is a **European Union with a sustainable, competitive, and resilient agri-food system, ensuring food security**. Its mission is to support and promote a knowledge and evidence-based green and digital transition towards a sustainable, competitive, and resilient EU agriculture, rural areas and secure food systems; to develop, implement, monitor, and evaluate the **Common Agricultural Policy (CAP)** so that its specific economic, environmental, and social objectives are met; to lead the actions of the EU Research & Innovation Programme relating to agriculture, forestry, and rural areas; to engage in international cooperation, trade and dialogue in support of its vision; and to actively engage with stakeholders and citizens on our activities and the importance of food security, sustainable food systems, generational renewal and the broader bioeconomy.

Article 39 of the **Treaty on the Functioning of the European Union (TFEU)** sets out the CAP objectives to increase agricultural productivity; to ensure a fair standard of living for the agricultural community; to stabilise markets; to assure the availability of supplies; to ensure that supplies reach consumers at reasonable prices. In order to adapt the CAP to the needs and challenges of this day and age, the European Commission plays a leading role as policy initiator, supervisor of the policy and manager of the EU budget. In order to deliver on its mission, DG AGRI interacts in an open and transparent way with a large set of stakeholders.

The competences in the field of agriculture are **shared between the Union and the Member States**. In that context, DG AGRI has a large scope of activities:

- The overall policy conception and formulation of the CAP is based on **policy and economic analysis**, evaluation and impact assessments.
- DG AGRI prepares **legislative and non-legislative proposals** and, once adopted, **monitors their implementation** to ensure a harmonised application.
- DG AGRI manages the **European Agricultural Guarantee Fund (EAGF)** and the **European Agricultural Fund for Rural Development (EAFRD)** and the future funding programmes for the next MFF;
- DG AGRI contributes to the enlargement process of the EU and manages the **Instrument for Pre-accession Assistance** in Rural Development.
- DG AGRI works on innovation and programmes and monitors agricultural research; it participates in the implementation of the Horizon 2020/Horizon Europe (HE) Framework Programmes for Research and Innovation; implements the HE Mission 'A soil deal for Europe' and three other R&I partnerships on agroecology, animal health and agricultural data; contributes to the successful implementation of the Circular Bio-based Europe Joint Undertaking.
- Through its audit activities, DG AGRI provides **assurance** that expenditure financed by the EU has achieved its objectives and has been effected in conformity with EU rules.
- DG AGRI contributes to the negotiation and implementation of **international trade agreements**, and manages relations with third countries in the area of agriculture in order to expand our two-way trade for the benefit of our farmers and food producers.

DG AGRI operates in three different **management modes**: shared management (interventions in agricultural markets, direct support, rural development), indirect management (pre-accession measures) as well as direct management (promotion, other activities such as studies, information and communication).

In 2025, the DG AGRI related **budget** was around EUR 54.3 billion in voted payment appropriations ⁽¹⁾, which accounts for around 35% of the overall EU budget, out of which MFF subheadings 3.1.11 (EAGF) and 3.2.12 (EAFRD), both implemented almost entirely under shared management, accounted for 99.6%. More details can be found in section 2.1. In 2025, DG AGRI worked on finalising the 2014 rural development programmes, on implementing the CAP Strategic Plans and on developing the post 2027 spending framework.

⁽¹⁾ Funded under policy area 01 (Research and Innovation), policy area 08 (Agriculture and Maritime Policy), policy area 14 (External Action) and policy area 15 (Pre-accession Assistance).

EXECUTIVE SUMMARY

A. Key results and progress towards achieving the Commission's general objectives and department's specific objectives

General objective 1: A new plan for Europe's sustainable prosperity and competitiveness

Specific Objective 1.1: Strengthen the attractiveness of the agri-food sector for new and current generations and improve its long-term sustainable competitiveness

Specific Objective 1.2: Support research and innovation (R&I) and enhance the access and use of R&I, knowledge, digitalisation and skills

General objective 3: Supporting people, strengthening our societies and our social model

Specific Objective 3.1: Building stronger connections between people and food and ensuring fair working and living conditions in attractive rural areas

General objective 4: Sustaining our quality of life: food security, water and nature

Specific Objective 4.1: Help farmers earn a fair and sufficient income, including through reinforcing the position of farmers in the food chain

Specific Objective 4.2: Boost the resilience of the agri-food sector and improve farmers' contribution to food security and their ability to cope with risks and crises

Specific Objective 4.3: Supporting an agri-food sector that enhances climate action, ecosystem services provision, conservation and restoration of biodiversity and natural resources

General objective 6: A global Europe: Leveraging our power and partnerships

Specific Objective 6.1: Promote the EU's strategic autonomy, fairer competition in global agri-food trade and foster international dialogue

In 2025, the activities of DG AGRI focussed on implementing the Vision for agriculture and food, developing and implementing the Common Agricultural Policy (CAP) and fostering trade in agricultural products in line with the Treaty and the political priorities of the von der Leyen Commission 2024-2029.

On 19 February 2025, the European Commission presented its **Vision** for Agriculture and Food, a comprehensive strategy to make farming more attractive, resilient and sustainable. Public support to agriculture is a central part of the Vision, and in that regard, as part of the proposals of the new Multi-annual Financial Framework, the Commission adopted in July its proposals for the future CAP.

2025 was once more characterised by geopolitical and geoeconomic instability (invasion of Ukraine; Middle East; rise in fuel, energy and agricultural input prices). Farmers' protests and natural disasters were two further important factors that required a coordinated response at EU level.

The Commission took necessary measures to support competitiveness of the EU agri-food and agricultural sectors, to support farmers and to ease their administrative burden, through the

simplification of the CAP acquis. DG AGRI established a multi-annual, as well as an annual, planning of stress tests to cover the entire EU acquis by end of this mandate in 2029. The planning focused on the identification of specific policy areas which will then allow for a prioritisation of stress testing over time. Various elements of the stress test fed into the simplification package (Omnibus III). The Annual Progress Report on Simplification, Implementation and Enforcement, published in September, showed that substantial progress was achieved towards efficient implementation and enforcement of EU policies impacting the agri-food sector, while continuously simplifying them to relieve farmers from the regulatory burden and stimulate competitiveness. The Omnibus III was negotiated and adopted in 2025 and increased the flexibility for Member States and farmers in several areas, including by further promoting the use of crisis management instruments.

On the policymaking front, 2025 saw the strengthening of the Unfair Trading Practices (**UTP**) enforcement, the targeted CMO amendment, a proposal to amend the **organic** basic act, the adoption of the **wine** package proposal and the presentation of the **generational renewal strategy**. The proposals were delivered rapidly and according to the planning.

In July 2025, the Commission presented its **proposals for the next MFF** including the legislative proposals that will define the CAP for the upcoming period. The proposals ⁽²⁾ reflect the need for a simpler, fairer, more resilient approach. Building on the experience of the current CAP performance-based approach, the proposals merge the two existing CAP funds and interventions into a coherent single set of policy instruments while retaining all the interventions from the current pillars (the tool kit for farmers and Member States). Specifically in the field of environmental and climate objectives, having one single instrument (the Agri-Environmental and Climate Actions) instead of the current eco-schemes and agri-environmental and climate management commitments should make programming and monitoring easier, while offering a more flexible range of options to support farmers. The advantage of this new MFF structure is that it offers Member States increased flexibility to develop integrated and coherent approaches that are tailored to national and regional needs, especially in rural areas.

DG AGRI actively supported Member States in the implementation of their national Strategic Plans and assessed 43 requests for amendments and disseminated new information and data on the CAP Strategic Plans in the Agri-food data portal. DG AGRI continued to lead the Horizon Europe (HE) R&I programming in the areas of agriculture, forestry and rural areas. As regards the performance of the CAP under the new delivery model, the second full reporting shows that **the bulk of the CAP Strategic Plans are implemented according to plan**. In some cases, the aggregated EU results show that the plans perform better than expected like for actions to protect and improve soils. However, there are also parts of the plans that perform less well, for instance interventions linked to risk management or interventions linked to the social sustainability.

DG AGRI continued to act as facilitator for the Rural Pact, as co-manager of the Rural Observatory, pursuing the aim of prosperous rural areas.

⁽²⁾ Proposal for National and Regional Partnership (NRP) Plans regulation, proposal for a regulation on the CAP conditions, amendment to the CMO regulation.

International agri-food trade is a key component of prosperity. Accordingly, in 2025, DG AGRI pursued agri-food trade interests and international outreach with key trading partners. **EU agri-food exports reached a new record level** of EUR 235.4 billion in 2025. Several Free Trade Agreements (FTA) have been finalised or implemented in 2025. At the same time, the EU further enhanced its policy cooperation with developing countries. DG AGRI also continued its active involvement in key international fora with a bearing on agri-food policy.

Furthermore, DG AGRI pursued its proactive engagement to protect Europe's food heritage and promote its high quality agri-food products and standards in non-EU countries. DG AGRI carried out two high-level missions to Japan and Brazil.

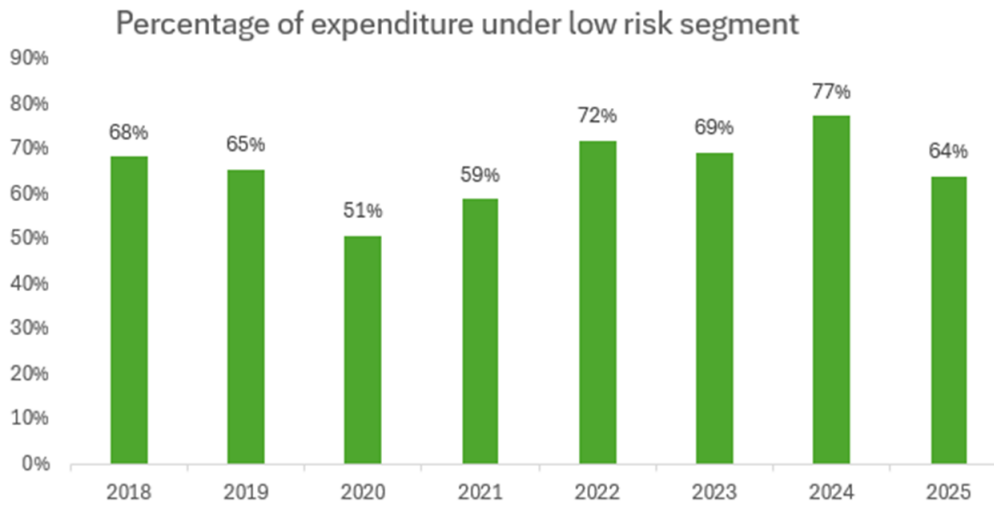
B. Key performance indicators

KPI #	KPI Title	Baseline (2023)	2025	Trend in relation to milestone	Interim milestone (2026)	Target (2029)
Specific objective 1.1: Strengthen the attractiveness of the agri-food sector for new and current generations and improve its long-term sustainable competitiveness						
1.1.1	Generational renewal (Number of young farmers)*	163 949	311 563		286 967	328 172
Specific objective 1.2: Support research and innovation (R&I) and enhance the access and use of R&I, knowledge, digitalisation and skills						
1.2.1	Enhancing performance through knowledge and innovation (Number of persons)*	317 175	2 126 615		4 874 764	6 254 953
Specific objective 3.1: Building stronger connections between people and food and ensuring fair working and living conditions in attractive rural areas						
3.1.1	Connecting rural Europe (%)*	7.6%	16.2%		19.1%	24.8%
Specific objective 4.1: Help farmers earn a fair and sufficient income, including through reinforcing the position of farmers in the food chain						
4.1.1	Share of CAP direct support in income (%)	20.15%	19.77%		Decrease	Decrease
Specific objective 4.2: Boost the resilience of the agri-food sector and improve farmers' contribution to food security and their ability to cope with risks and crises						
4.2.1	Risk Management (%)*	1.6%	2.5%		15.8%	15.8%
Specific Objective 4.3: Supporting an agri-food sector that enhances climate action, ecosystem services provision, conservation and restoration of biodiversity and natural resources						
4.3.1	Improving and protecting soils (%)*	50.5%	53.4%		46.2%	47.4%
Specific Objective 6.1: Promote the EU's strategic autonomy, fairer competition in global agri-food trade and foster international dialogue						
6.1.1	Expansion of two-way EU27 agri-food trade (bn EUR)**	407	424		Increase	Increase

* Target date for this indicator is 2028

** The baseline for this indicator refers to 2024

Evolution of the expenditure estimated under the low-risk segment



The 2025 low-risk expenditure share (64%) fell slightly below the 66% target set out in DG AGRI's 2025 Management Plan, which could be linked to closure-phase dynamics in the 2014–2022 Rural Development Programmes. For expenditure under the 2023–2027 CAP Strategic Plans - which accounts for 81.3% of shared management expenditure - the low-risk share reached 68%. Although this also marks a decrease compared to 2024, it still exceeds the target ⁽³⁾.

C. Key conclusions on internal control and financial management

DG AGRI has systematically examined the available control results and indicators, including those from the European Research Executive Agency ⁽⁴⁾, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors.

As far as timely payments are concerned, DG AGRI shows an excellent rate of 99%.

The transition in 2025 to the Commission's new accounting system, SUMMA, has required the adjustment to a new system and has impacted budget implementation tasks, processes and financial management activities, particularly during the first part of the year. This has required careful management to ensure the same data quality as in previous years.

All the above elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer for further details to section 2 on Internal Control and Financial Management.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated.

⁽³⁾ See section 2.

⁽⁴⁾ DG AGRI delegated EUR 40 million to REA to support the DG's activities in the area of promotion.

Necessary improvements and reinforcements are being implemented. The Director-General, in her capacity as Authorising Officer by Delegation, has signed the Declaration of Assurance, albeit qualified by the following reservations:

- **IACS population under CAP Strategic Plans** - 19 reservations for 14 Member States: Austria, Belgium (1 Paying Agency), Germany (5 Paying Agencies), Denmark, Spain (2 Paying Agencies), Finland, Greece, Croatia, Hungary, Italy (1 Paying Agency), the Netherlands, Poland, Romania, Slovakia ⁽⁵⁾.
- **Non-IACS population under CAP Strategic Plans** - 15 reservations for 11 Member States: Belgium, Denmark, Spain (3 Paying Agencies), France (2 Paying Agencies), Greece, Ireland, Italy (1 Paying Agency), the Netherlands, Poland, Romania (2 Paying Agencies), Sweden ⁽⁶⁾.
- **ABB 02 Market Measures** - 6 reservations for 3 Member States: Greece (two measures), France (two measures), Italy (two measures).
- **ABB 03 Direct Payments** – POSEI-SAA: 1 reservation for 1 Member State: Greece.
- **ABB 04 Rural Development** - 10 reservations for 10 Member States: Bulgaria, Spain (1 Paying Agency), France, Greece, Hungary, the Netherlands, Poland, Portugal, Romania, Slovakia.

For further details on control results and underlying reasons for reservations, please refer to section 2 below and Annex 7, Part 2 A and B.

D. Provision of information to the Commissioner

In the context of the meetings during the year between DG AGRI and the Commissioner on management matters, the main elements of this report and assurance declaration, including the reservations, have been brought to the attention of Commissioner Hansen, responsible for Agriculture and Food.

⁽⁵⁾ Covering 56 out of 1737 interventions.

⁽⁶⁾ Covering 26 out of 1118 interventions.

1. KEY RESULTS AND PROGRESS TOWARDS ACHIEVING THE COMMISSION'S GENERAL OBJECTIVES AND SPECIFIC OBJECTIVES OF THE DEPARTMENT ⁽⁷⁾

General objective 1: A new plan for Europe's sustainable prosperity and competitiveness

Specific Objective 1.1: Strengthen the attractiveness of the agri-food sector for new and current generations and improve its long-term sustainable competitiveness

The Commission presented on 19 February 2025 its [Vision for Agriculture and Food](#) ⁽⁸⁾. This roadmap sets the stage for **an attractive, competitive, resilient, and fair agri-food system for current and future generations of farmers and agri-food operators**. At the heart of the Vision lies that public support remains indispensable. To this end, as part of the proposals of the new Multi-annual Financial Framework, the Commission adopted on 17 July 2025 its proposals for a simpler, more targeted and future-oriented CAP for the period after 2027. The Commission has proposed an important financial support for the CAP in the next MFF 2028-2034. A simpler, more flexible budget will better respond to EU farmers, agriculture and rural challenges while enabling further synergies across sectors. In the current political context, DG AGRI is intensifying communication and outreach ⁽⁹⁾ with the media, stakeholders, and citizens with a view to increase understanding of the new policy framework, as well as to increase the interest in European agriculture challenges and recent political events.

Competitiveness is a defining pillar of the Vision. In 2025, the Commission proposed to simplify the CAP and agriculture-related legislation through several omnibus simplification packages ⁽¹⁰⁾. The key package for DG AGRI was the **Omnibus III** (proposed by the Commission in spring and adopted by the co-legislators on 19 December 2025), which targets the administrative burden, controls, implementation, crisis response and investment needs of the sector and reinforced simplified payments for small farms. These changes should save up to EUR 1.58 billion annually for farmers and EUR 210 million for national administrations.

Furthermore, on 16 December 2025, the Commission proposed a simplification of the EU **Organic basic act** ⁽¹¹⁾ with a view to simplify certain rules to enhance competitiveness of the organic sector, while upholding its high standards. This proposal was accompanied by a [Roadmap](#) and a [staff working document](#) which provides an estimate of costs savings and

⁽⁷⁾ Annex 2 provides more details about 2025 achievements under the specific objectives.

⁽⁸⁾ A Vision for Agriculture and Food, Shaping together an attractive farming and agri-food sector for future generations, COM (2025) 75 final.

⁽⁹⁾ I.e. CAP ambassadors initiative

⁽¹⁰⁾ [Environmental Omnibus](#); [Food and Feed Safety Omnibus](#)

⁽¹¹⁾ As a result of the stress-testing

benefits expected (annual direct administrative cost savings of approximately EUR 47.8 million, of which EUR 45.9 million for farmers and other operators and EUR 1.9 million for administrations. In addition, these elements may entail for farmers and other operators direct one-off adjustment cost savings of EUR 109.2 million and annual direct adjustment cost savings of EUR 90.2 million).

In 2025, DG AGRI pursued its **dialogue with farmers and stakeholders**. A conference in May 2025 focussed on the specific pathways of the Vision. Throughout the year, the European Board on Agriculture and Food held meetings to advise the Commission on strategic policy developments. The December Agri-Food Days also served as a major public forum for dialogue on securing Europe's food and agriculture. DG AGRI continued to facilitate exchanges using the EU CAP Network and the numerous Civil dialogue groups.

DG AGRI established **the (multi-)annual plan stress-testing rolling plan** to thoroughly examine the entire agricultural acquis, beyond funding instruments, and to further improve the implementation and simplification of EU policies and programmes through a number of actions. DG AGRI employed several considerations in the planning and the prioritisation of areas for stress-testing.

In this context, DG AGRI organised the first **CAP implementation dialogue** of 3 June 2025 which addressed issues related to the CAP Strategic Plan roll out, using qualitative and quantitative data. A lot of the concerns raised during the implementation dialogue are addressed with the proposed CAP post-2027 framework. [A second Implementation Dialogue on the Organic Farming Policy](#) of 10 November 2025 focused on stakeholders' experience of the rules on organic production and the labelling of organic products and how certain aspects of the organic basic act could be simplified. Additionally, DG AGRI participated in the **reality check** on 7 October 2025 related to Forestry and environmental protection activities in the EU taxonomy, and organised the CAP Network 2025 seminar on delivering the CAP today and beyond on 10 October 2025.

Simplification and competitiveness also fed the Commission's proposal for the National and Regional Partnership (NRP) Plans for 2028-2034, including the CAP proposal, with further improvements coming from a simpler and more flexible budget to respond better to the needs of EU farmers and rural communities.

Other actions also contributed to the strengthening of the Unfair Trading Practices (UTP) enforcement, the adoption of the wine package proposal and the presentation of the generational renewal strategy.

DG AGRI presented its Annual Progress Report on simplification, implementation and enforcement. This presents progress on simplification, implementation and enforcement made in the policy fields of agriculture, rural development and food during the period 1 January – 31 July 2025. In the first half of 2025, substantial progress was achieved towards efficient implementation and enforcement of EU policies impacting the agri-food sector, while continuously simplifying them to relieve farmers from the regulatory burden and stimulate competitiveness.

In 2025 the Commission adopted **a report on the operation of the new delivery model** by the Member States which presents the main lessons learned and a first assessment of the

contribution of planned interventions to the environmental and climate objectives of the CAP. The analysis confirms that the plans have the potential to contribute to the achievement of the environmental and climate-related objectives of the CAP. CAP plans' implementation shows that on EU average most environmental and climate-related annual result indicator milestones were surpassed in 2024.

In March 2025, the Commission proposed a “**wine package**” based on the most urgent recommendations of the High-Level Group on wine policy, to provide a long-term perspective to the wine sector and cope with its structural challenges (stabilisation of the wine market, production adaptation to climate change, seizure of new market opportunities). After political agreement by the co-legislators in December, it is expected to enter into force by spring 2026.

DG AGRI launched a **Livestock Workstream** in 2025 to have an in-depth review of the sector's challenges, to identify supportive policy tools to accompany its future and to inform the development of an EU Livestock Strategy in 2026, aimed at ensuring the sector's global competitiveness, crisis resilience and sustainability respecting Europe's territorial diversity. In this context, DG AGRI will also look at the EU's dependency on imports of high protein content crops.

The focus on making farming an attractive career has been reinforced by the launch of the [Strategy for Generational Renewal in Agriculture](#), which addresses access to income, land, and skills, and sets the right conditions to support young farmers and new entrants into the sector. DG AGRI actively promoted ⁽¹²⁾ this strategy which sets out a comprehensive policy agenda to make farming more accessible, competitive and future-proof. With an integrated approach, the strategy aims to help Member States coordinate measures across agricultural, rural, social, fiscal and innovation policies. The ultimate goal is to ensure that young and new farmers receive consistent, long-term support, through a combination of financial support, fairer land markets, training, and reforms that promote timely farm succession and adequate pension security for retiring farmers.



DG AGRI has implemented a robust system to ensure the reliability of performance information on CAP financing. Most of CAP expenditure benefits from the quality and control systems implemented by Member States, the use of sentinel satellite imagery and geo-tagged photos as well as from a solid reporting system. There are clear [indicator fiches](#) for the performance data, which together with the related guidance were regularly updated to address Member States questions. No issues were identified.

Specific Objective 1.2: Support research and innovation (R&I) and enhance the access and use of R&I, knowledge, digitalisation and skills

DG AGRI continued to lead the Horizon Europe (HE) R&I programming in the areas of agriculture, forestry and rural areas. In 2025, the related **Horizon Europe Cluster 6 Work**

⁽¹²⁾ The Commission actively promoted the Strategy in dedicated meetings and conferences with stakeholders, including young farmers and rural youth, OECD, the European Parliament, the Council and national and regional authorities.

Programme 2026-2027 was prepared, where DG AGRI programmed EUR 628 million through 43 topics that will lead to 76 new projects delivering new knowledge and innovations to enable the objectives of the Vision for Agriculture and Food. In 2025, a third **co-funded public-public R&I Partnership** was launched on an Agriculture of Data, which plans to mobilise EUR 300 million of EU and Member State funding to digitalize EU agriculture, combining farm data with digital tech for sustainable, productive farming. In this context, REA worked very efficiently to carry out its **research activities** for the implementation of the programmes Horizon Europe and Horizon 2020 legacy, including communication, dissemination and exploitation of project results, as well as to provide administrative and logistical support services.

Under **the Mission Soil**, over EUR 250 million was also programmed for 12 topics plus joint initiatives with other Horizon Europe Missions. The third European Mission Soil Week was organised in Denmark. It gathered 300 in person and 900 online participants. This year's edition focused on investments and business models for soil health, reflecting the urgency to mobilise public and private capital across land-use sectors.

DG AGRI participated in the successful implementation of the **Circular Bio-based Europe Joint Undertaking** (CBE JU), where a working group dedicated to primary producers' involvement in the bioeconomy value chain was created. DG AGRI also played an active role in the proposals for a **European Competitiveness Fund and Horizon Europe** preparations under the new MFF and contributed to the preparation of several potential pilots using the competitiveness coordination tool.

The **EU CAP Network** enabled knowledge exchange between the various stakeholders, addressing topics such as robotics and artificial intelligence in farming and forestry, upcycling of forest by-products within the circular bioeconomy, and innovation in logistics to improve the position of farmers in supply chains.

In 2025, the **BCO** ⁽¹³⁾ **Support Facility** network contributed to better alignment between broadband, agricultural and regional policies, with a particular focus on rural and remote areas. Within this framework, increased attention was given to connectivity as a key enabler of smart and digital agriculture. Knowledge-sharing activities illustrate how advanced connectivity solutions such as broadband and 5G support the uptake of digital technologies in agriculture and foster cross-sectoral dialogue.

With regard to the challenge of fostering **digitalisation** in agriculture, Member States are integrating digital solutions across the different CAP-specific objectives in synergy with other EU programmes such as Horizon Europe and the Digital Europe Programme (DEP) in their CAP Strategic Plans. DG AGRI has tested a [toolkit](#) with experts from 20 Member States which led to building blocks for the digital transformation in agriculture and rural areas. A report ⁽¹⁴⁾ on the state of play of digital adoption at EU level established a baseline on the digital uptake in EU agriculture. Another



⁽¹³⁾ Broadband Competence Offices

⁽¹⁴⁾ [The state of digitalisation in EU agriculture](#)

report from the Evaluation Helpdesk of the EU CAP Network reflects the assessment of digitalisation under the CAP Strategic Plans ⁽¹⁵⁾.

DG AGRI is also further advancing interoperability, notably with the Digital Europe Project on interoperability of data systems with spatial dimension in the field of agriculture, where concrete solutions are developed to integrate the different economic and environmental databases under AGRI and JRC control. Through a pilot project, DG AGRI is also laying the groundwork for the rollout of the Digital Business Wallet in agriculture, with a view to reducing administrative burden for farmers. Other concrete initiatives on the ground include the roll-out of the CEADS ⁽¹⁶⁾ and actions to improve IACS data sharing ⁽¹⁷⁾.

General objective 3: Supporting people, strengthening our societies and our social model

Specific Objective 3.1: Building stronger connections between people and food and ensuring fair working and living conditions in attractive rural areas

In line with the Vision, DG AGRI updated the EU Rural Action Plan, and strengthened the Rural Pact by organising the Rural Pact conference in September 2025. It renewed the Rural Pact Support Office contract for two more years. It also operationalised rural proofing, reflecting on ways forward in a dedicated Rural Pact policy lab in June 2025. Furthermore, it cooperated with the OECD, the JRC, ESTAT and REGIO to test a common, EU-wide definition of functional rural areas. DG AGRI also worked on the implementation of ten thematic actions of the plan.

2025 was the 10th year of implementation of the [EU agri-food promotion policy](#). Information and promotion programmes consist of operations implemented by proposing organisations selected via annual calls for proposals managed by REA. They can take the form of "simple" programmes ⁽¹⁸⁾ (evaluated by REA, managed by the competent national authorities under shared management), or "multi" programmes ⁽¹⁹⁾ (for which the whole project cycle is managed by REA). In 2025, a total of 72 programmes were selected for funding, which will run over the next three years ⁽²⁰⁾.

⁽¹⁵⁾ [Assessing digitalisation under the CAP Strategic Plans](#)

⁽¹⁶⁾ Common European Agricultural Data Space [Project](#)

⁽¹⁷⁾ Non-personal geospatial data.

⁽¹⁸⁾ 'Simple' programmes are implemented by one or more organisations from the same EU country.

⁽¹⁹⁾ 'Multi' programmes are implemented by at least two national organisations from at least two Member States, or by one or more European organisations.

⁽²⁰⁾ 56 simple programmes with participants from 14 Member States (11 in 2024) and with a total EU co-financing of EUR 91 534 575, with 59% of the budget dedicated to programmes targeting third countries; 16 multi programme proposals with participants from 15 Member States - including coordinators and partners (13 in 2024) and with a total EU co-financing of EUR 39 048 193, with 25.7% of the budget targeting third countries.

General objective 4: Sustaining our quality of life: food security, water and nature

Specific Objective 4.1: Help farmers earn a fair and sufficient income, including through reinforcing the position of farmers in the food chain

In 2025, the Common Agricultural Policy (CAP) continued to support the sector through the implementation of the CAP Strategic Plans, increasing incomes and building resilience, for instance through supporting investments and risk management. In particular, small farms received special attention in 2025, through increased **income support**. The CAP continues to support the organisation of farmers via producer organisations and sectoral programmes.

The Commission continued to closely monitor markets and provide market analysis to design appropriate policy. This included the work of the various **Market Observatories** enhancing market information and transparency (cost structures, margins and the distribution of added value within the food chain).

**EU added value:
Observatories**

Moreover, following up on the recommendations of the Strategic Dialogue on the Future of EU Agriculture, the Commission published a study on existing national and regional or private regulatory or voluntary schemes aiming at ensuring a **fair remuneration** for farmers. Since July 2025, the Commission is also monitoring the availability and affordability of **fertilisers** in the EU through the Fertilisers Market Observatory, following the entry into force of the regulation imposing additional tariffs on nitrogen-based fertilisers from Russia and Belarus.

Also based on the Vision, the EU **Agri-food Chain Observatory** improved transparency in the agri-food supply chain by analysing prices, costs, and the distribution of margins and added value. A Roadmap towards Nature Credits has been launched in July 2025 to incentivise private investments into actions that protect and preserve nature.

DG AGRI continued its work to increase awareness among the farming community on tools available to shield producers from **unfair trading practices** (UTPs), notably through targeted social media and its webpage, presentations to stakeholders at working groups of farmers, fishers and other business associations (including cooperatives and SMEs), participation in national conferences and sectoral events in the Member States on the functioning of the food chain, contribution to relevant OECD working group discussions, and maintaining a structured dialogue with national enforcement authorities to share lessons learned and further improve outreach and awareness of the UTP rules. In line with the Vision, the Commission proposed legislation on a reinforced legal framework to empower national enforcement authorities to collaborate more efficiently in cross-border cases. An agreement on this framework was reached with the co-legislators by the end of 2025.

DG AGRI also prepared the ground for a possible revision of the UTP Directive ⁽²¹⁾ and actively supported institutional negotiations for reinforcing the position of farmers in the food supply

⁽²¹⁾ The revision was supported by the [Evaluation on the Unfair Trading Practices Directive](#).

chain (targeted review of the Common Markets Organisation) for which a political agreement is expected for 2026.

DG AGRI is also working towards establishing an EU Observatory on Farmland. A Pilot Project has been launched with a view to analyse the current state of farmland observation and monitoring in the EU.

Specific Objective 4.2: Boost the resilience of the agri-food sector and improve farmers' contribution to food security and their ability to cope with risks and crises

The Vision places strong emphasis on [protection, preparedness and resilience](#). High volatility on world markets, climate change and changes on consumption patterns all increase risks on farming. Income support provided by the CAP cushions some of these risks but the expected steep increase in costs related to, in particular, climate change, make it imperative to improve **risk management** in the sector. Therefore, the CAP directly supports risk management actions in various forms. Examples of these include agro-environment payments for crop rotation and diversification, green investments, and so on.

The Commission is also working to develop new tools (such as insurance-based risk financing instruments, possibilities to de-risk the agricultural sector), that address challenges such as the negative impact from climate change and respond to potential catastrophic events. For this purpose, DG AGRI undertook in 2025 a specific fi-compass study analysing the agricultural insurance markets in ten EU Member States and the existing insurance gaps in the EU, alongside their projection by 2050 depending on the climate scenarios.

In light of increased risks and damages linked to climate change, the Commission compensated farmers in eleven Member States ⁽²²⁾, supporting their ability to cope with the negative impact of adverse weather events and natural disasters that occurred during 2024 and 2025.

In 2025, the Commission and High Representative launched the Preparedness Union strategy. The Vision acknowledged the need to strengthen the European Food Security Crisis Preparedness and Response Mechanism (EFSCM). The EFSCM supported a shared understanding of risks and strengthened trust between public authorities and stakeholders. In the MFF proposal, the Commission proposed a Unity Safety Net of EUR 6.3 billion which will shield farmers from the impact of market crisis. With regard to **food security**, the EFSCM ⁽²³⁾ helped stepping up levels of preparedness in the EU, and developing a methodology for a periodic **stress-testing of the EU food supply chain** and assessing the need for potential stockpiling of agri-food products as a preparedness measure. In addition, the Commission put forward provisions on the availability of supplies in time of emergencies and severe crises, within the proposal on the Common Agricultural Policy after 2027.

**EU added
value: EFSCM**

⁽²²⁾ ES, HR, CY, LV, HU, CZ, SI BG, LT, PL, RO.

⁽²³⁾ European Food Security Crisis preparedness and response Mechanism

Specific Objective 4.3: Supporting an agri-food sector that enhances climate action, ecosystem services provision, conservation and restoration of biodiversity and natural resources

The Vision is clear that **a well-functioning ecosystem is the backbone of agriculture**.

Proposed measures for soil health, water availability, climate adaptation, biopesticides, reward of positive environmental practises, have been delivered in 2025 in the CAP and Food and Feed Safety Omnibus proposals. The Commission has also launched a Water Resilience Strategy and is delivering towards the Carbon Removals and Carbon Farming Certification.

The CAP Strategic Plans (CSP) play a key role in ensuring that the CAP successfully contributes to address climate change and the protection of natural resources and biodiversity. DG AGRI is closely following the CSP implementation, accepting certain amendments in the Plans where necessary. Furthermore, support is available to the forestry sector, bioeconomy and carbon farming. Via the afforestation measure under EAFRD, forests help sequestering carbon and increasing biodiversity.



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The **Bioeconomy Strategy** adopted in 2025 reflects efforts to support innovation and diversify income beyond traditional production, while recognising the multiple roles farmers play in managing land and resources. It aims to accelerate Europe's transition to a sustainable, circular, and competitive economy by leveraging biological resources for food, materials, energy, and industrial applications. Farmers and foresters have a key role as suppliers of biomass. An increased valorisation of raw material and farm residues will strengthen the role of primary producers in the value chain

The study on [quantification of rough estimates of CAP impacts on soil quality](#) supports a more targeted implementation of soil-related CAP measures to deliver stronger climate, biodiversity and natural resource outcomes. Its findings highlight the central role of eco-schemes for most soil characteristics, point to the potential of coupled income support to protein crops to improve several soil functions. It also identifies enhanced conditionality measures as important drivers of soil health improvements.

The **study on green architecture tools** carried out in 2025 examines how the combined set of CAP environmental instruments ⁽²⁴⁾ can most effectively incentivise farmers to adopt practices that go beyond business-as-usual and deliver measurable environmental and climate benefits. The study focuses on incentives to strengthen the provision of ecosystem services and improve the conservation and restoration of biodiversity and natural resources. Its results are intended to support more effective design and calibration of CAP interventions across Member States.

⁽²⁴⁾ Enhanced conditionality, eco-schemes, and rural development support (including area-based commitments, green investments, training and advisory measures)

General objective 6: A global Europe: Leveraging our power and partnerships

Specific Objective 6.1: Promote the EU's strategic autonomy, fair competition in global agri-food trade and foster international dialogue

Throughout 2025, DG AGRI's work was influenced by the geopolitical challenges that the agri-food sector is facing, in particular the effects of Russia's illegal war of aggression against Ukraine, and international trade tensions.

DG AGRI continued monitoring trade in agricultural products from Ukraine under the **autonomous trade measures** that expired on 6 June 2025. DG AGRI negotiated the conclusion of the review of Deep and Comprehensive Free Trade Areas with Moldova and Ukraine, supporting the economy of these two countries affected by Russia's war of aggression in Ukraine, while preserving the interests of the EU farming sector.

DG AGRI continued to be actively involved in key **international and multilateral fora** and international bodies bearing on agri-food policy in line with the commitments from the Vision ⁽²⁵⁾, in particular in WTO work in the lead-up to the WTO 14th Ministerial Conference in Cameroon in March 2026. DG AGRI also invested in defending farming interests in trade defence investigations targeting EU products, in particular the most recent ones launched by China.

DG AGRI also successfully organised the seventh **African Union (AU)-European Union (EU) Agriculture Ministerial Conference** that sustained strong cooperation and partnership between the two Unions in addressing challenges facing agriculture and food systems.

DG AGRI continued to actively engage with the EU's trading partners in order to ensure progress towards the **conclusion of trade agreements, with a specific focus on the Indo-Pacific region**, safeguarding the interests of EU farmers.

Leading discussions on the agricultural parts of ongoing negotiations with bilateral and multilateral partners ⁽²⁶⁾, DG AGRI also continued efforts to ensure proper implementation and enforcement of existing Free Trade Agreements and Economic Partnership Agreements ⁽²⁷⁾, and made good progress by formally concluding and implementing agreements with a number of

⁽²⁵⁾ Fora such as the Food and Agriculture Organisation of the United Nations (FAO), the Organisation for Economic Co-operation and Development (OECD), the agricultural work streams in the Group of 7 (G7), Group of 20 (G20) and Global Forum for Food and Agriculture (GFFA), as well as the World Trade Organisation (WTO); International Sugar Organisation (ISO), International Grains Council (IGC) and International Olive Council (IOC)

⁽²⁶⁾ Such as Chile, Australia, Indonesia, Thailand, the Philippines, Malaysia, Eastern and Southern Africa, CARIFORUM (on geographical indications) and India.

⁽²⁷⁾ In particular with Canada, the Andean Community, Central America, Japan, Korea, Singapore, Vietnam, the South African Development Community (SADC), CARIFORUM, Cameroon, Ivory Coast, Ghana and Kenya as well as of the GI Agreement with China.

countries ⁽²⁸⁾ as regards the apportionment of WTO tariff rate quotas following Brexit. 2025 saw the adoption of agreements with **Mercosur and Mexico**. It was also the first year of implementation of the EU-Chile Modernised Agreement. 2025 saw the negotiation of a Joint Statement with the **US** on trade. As for CETA ⁽²⁹⁾, the trade agreement has continued to perform well, resulting in a 7% increase in EU exports. Trade data for 2025 under the Agreements with the countries of Central America and of the Andean community showed increases in EU agri-food exports.

The Comprehensive Economic Partnership Agreement (CEPA) between the EU and **Indonesia** (completed in September 2025) will significantly improve the access of European farmers to a market of more than 280 million people, by bringing down tariffs on dairy products, meats, fruit and vegetables and a wide range of processed foods while protecting 221 EU Geographical Indications.

The High-Level Mission (HLM) to **Japan** in June 2025 included a political program aimed at reducing non-tariff market barriers and a program for the EU business representatives from a large range of sectors (notably GIs and organics) and from almost all Member States, many representing Geographical Indications or organic products. The HLM to **Brazil** in October 2025 represented another occasion to promote EU exports.

EU **agri-food exports** reached a new record level of EUR 235.4 billion in 2025. The EU confirmed its position as the largest agri-food exporter among the top 5 exporters in the world; it was the only one that increased its export value. EU agri-food imports also reached a new record level of EUR 188.6 billion in 2025. This made the EU the largest importer of agri-food products in 2025. This increase was again primarily driven by a steep increase in the import prices of cocoa and coffee and to a lower extent of fruits and nuts. Overall, the stronger growth in import value led to a reduction in the EU **agri-food trade balance** that reached EUR 49.9 billion, EUR 5.8 billion less than in 2024, and the lowest level since 2018. The EU remains a net exporter in most product categories.

EU **enlargement** remained a significant policy priority throughout the year. DG AGRI played a key role in the work on chapter 11 negotiations on agriculture and rural development with Montenegro, Albania, Ukraine and Moldova. The implementation of the 2021-2027 **IPARD III programmes** started in 2025 in all IPARD countries except Albania with the launch of calls for proposals and subsequent contracting and project implementation. Good progress was observed notably in Türkiye and Montenegro.

To support trade facilitation, the Commission adopted two regulations to digitalise non-custom procedures (ELAN system).

⁽²⁸⁾ Out of 22 negotiating partners, negotiations have been fully finalised with 18 partners: agreements have been formally signed and implemented with Argentina, Australia, Brazil, Chile, Costa Rica, China, Cuba, Egypt, Indonesia, Malaysia, Mexico, New Zealand, Norway, Pakistan, Switzerland, Taiwan, Thailand and USA. The outstanding partners with which negotiations have not progressed to date are Canada, India, Russia and Uruguay. The negotiations with Russia were well advanced, but they are now “on hold” due to the Russian aggression against invasion of Ukraine.

⁽²⁹⁾ EU-Canada Comprehensive Economic and Trade Agreement

To maintain existing trade flows with **Morocco**, while respecting the outcome of judgements of the Court of Justice of October 2024 on products originating in Western Sahara, DG AGRI supported the adoption of the new Agreement with Morocco. This required adapting the EU marketing standard regulation for fruit and vegetables.

Commission **economic diplomacy initiatives** were carried out in line with the annual work programme, with an execution rate of 100%, in close cooperation with the European Research Executive Agency for the procurement. These initiatives comprised high-level missions (see above), promotion campaigns or EU pavilions at international trade fairs.

2. INTERNAL CONTROL AND FINANCIAL MANAGEMENT

DG AGRI monitors the functioning of the internal control systems on a continuous basis and carries out an objective assessment of their efficiency and effectiveness. In annex 7, there is a list and details of the reports that have been considered. The results of the assessment are explicitly documented and reported to the Director-General.

2.1. Control results

Control results are used to support its assurance and reach a conclusion about the cost-effectiveness of those controls, meaning whether the right balance between the following elements is achieved:

- **Effectiveness** The level of error found, based on the controls carried out.
- **Efficiency** The average time taken to inform or pay.
- **Economy** The proportionality between the costs of controls and the funds managed.

2.1.1. Overview of the budget and relevant control systems

In 2025, DG AGRI's relevant expenditure ⁽³⁰⁾ amounted to EUR 57 032.09 million.

Of this amount, EUR 56 866.26 million (99.7%) was executed under **shared management**. This includes EUR 46 254.90 million (81.3% of shared management expenditure) under Member States' 2023-2027 CAP Strategic Plans, and EUR 10 611.37 million (18.7%) outside CAP Strategic Plans, including expenditure linked to the previous programming period. **Direct management** and **indirect management** together accounted for EUR 165.83 million, corresponding to 0.3% of relevant expenditure under DG AGRI's responsibility.

Expenditure under shared management linked to CAP Strategic Plans, expenditure under shared management outside CAP Strategic Plans, and expenditure under direct and indirect management are each governed by distinct **control systems**.

⁽³⁰⁾ Unlike the budgeted payment appropriations (see page 4), which refer to voted appropriations only, the relevant expenditure represents the total amount of payments made, including all types of appropriations (assigned revenue, carry-overs from previous year) and covering the policy areas presented in Annex 3 under 'Paid amount'.

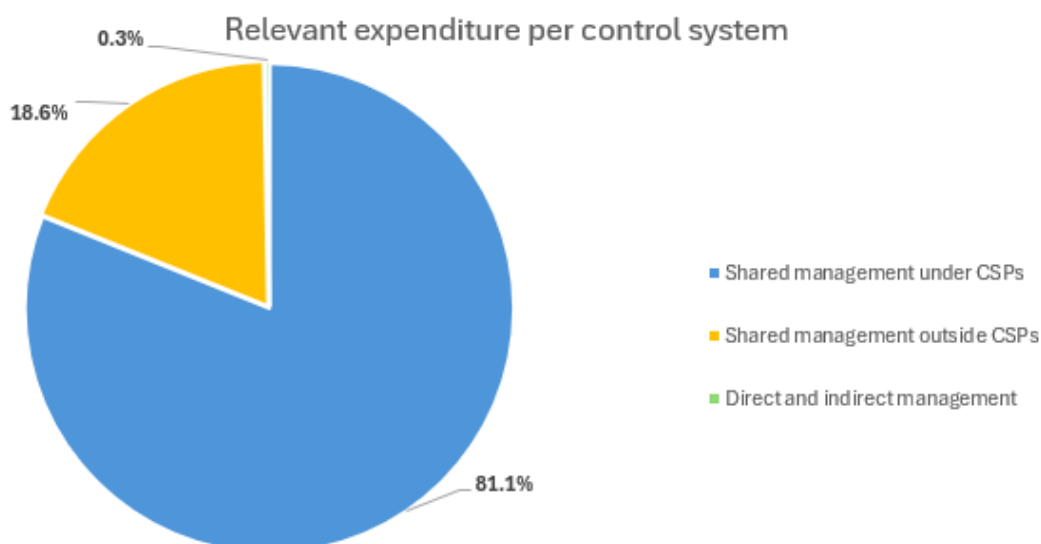


Chart: 2.1.1-1

In 2025, DG AGRI revenue amounted to EUR 1 119.09 million. For shared management, the amount of EUR 1 117.65 million (EUR 905.02 for EAGF and EUR 212.63 for EAFRD), established for recovery orders issued for FY2025, relates to recoveries for fraud irregularities and administrative errors as declared by Member States to the Commission in the monthly and quarterly declarations, corrections executed by Commission services for late payments to beneficiaries or ineligible expenditure, as well as financial and operational corrections executed following the adoption of conformity, performance and financial clearance decisions. For indirect management, the amount of EUR 1.44 million relates to recoveries from the IPARD beneficiary countries.

In addition, DG AGRI manages sensitive intangible assets, notably information systems, as well as financial instruments. It has also delegated certain budget implementation tasks to the European Research Executive Agency (REA) ⁽³¹⁾.

For further details on relevant control systems, please check Annex 6. Materiality criteria are explained in Annex 5 to this report.

2.1.2. Effectiveness of controls

a) Assessment of control results per relevant control system

For expenditure outside the CAP Strategic Plans (18.9% of total relevant expenditure, including direct and indirect management), a risk at payment is calculated. For expenditure under the CAP Strategic Plans (81.1%), the respective governance systems established and operated by the Member States are subject to a qualitative assessment, resulting in adjusted gradings. In both models, expenditure is classified into high-, medium-, or low-risk segments ⁽³²⁾.

⁽³¹⁾ Details of the exercise for financial year 2025 can be found in Annex 7 (REA in part 5 and financial instruments in part 2.D).

⁽³²⁾ Details of assessing risk levels (calculating error rates and risk levels for performance-based expenditure) are explained in Annex 5 – materiality criteria.

Estimated risk segments for DG AGRI and per relevant control system

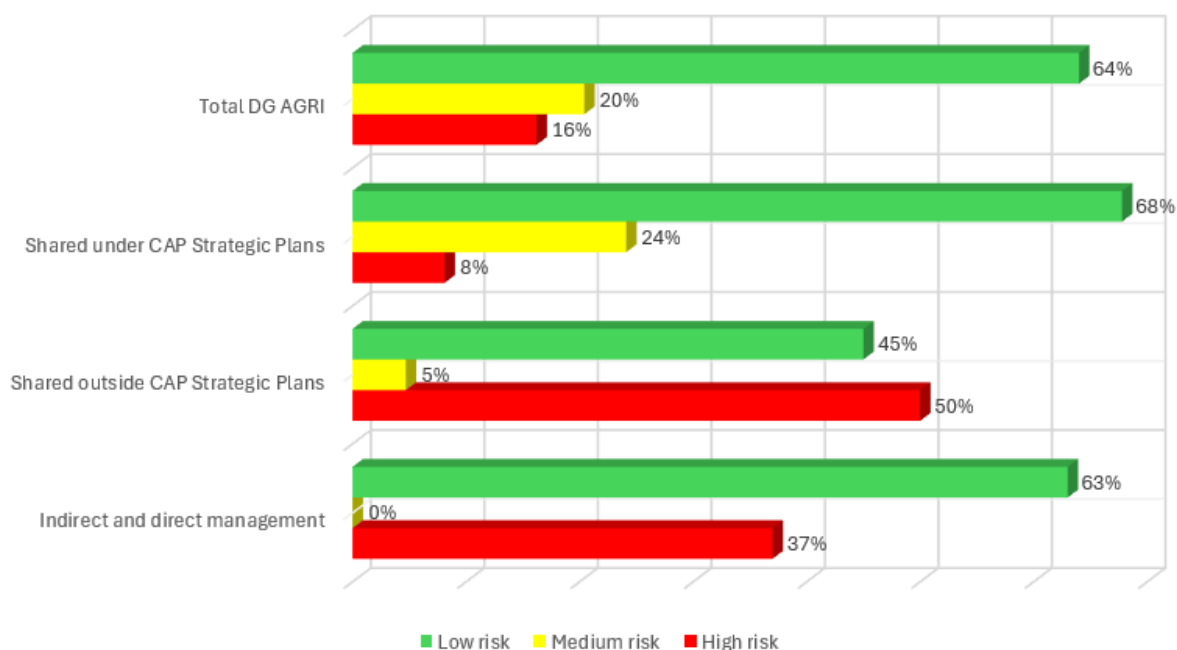


Chart: 2.1.2.a)-1

The **overall assessment shows that 64% of DG AGRI's relevant expenditure in 2025 is low-risk** (77% in 2024 and 69% in 2023), 20% medium-risk (10% in 2024), and 16% high-risk (13% in 2024) with high and medium risk combined in 2023 at 21%.

Key Factors Behind the Results of the 2025 Assessment

For Greece, all IACS expenditure and parts of non-IACS expenditure (wine and apiculture interventions) under the CAP Strategic Plans, as well as expenditure outside of CAP Strategic Plans (market measures and rural development), were placed under reservation. While consistent with the approach applied in 2024 and justified as a precautionary measure, this should be kept in mind when interpreting the amounts at risk and under reservation. In absolute terms, this continued to be one of the main drivers of the overall results.

Moreover, a better understanding of how to assess the functioning of systems (and resulting gradings) by Certification Bodies in several Member States – including for high-expenditure interventions such as Basic Income Support, Coupled Income Support, and Eco-Schemes – have led to a reallocation of expenditure between risk segments. These changes have contributed to a higher share of expenditure in the medium-risk segment, with a corresponding decrease in the low-risk segment compared to 2024.

In the case of France, which accounts for the vast majority of this shift, this assessment confirms DG AGRI audit findings⁽³³⁾ dating from after the signature of the 2024 Annual Activity Report and for which a conformity procedure has since been opened, pointing more to a

⁽³³⁾ Among other things, concerning the Système d'Identification Parcellaire Agricole (SIPA) (Agricultural Parcel Identification System), the active farmer definition, and land at disposal.

refinement in the Certification Body's assessment of the functioning of the systems rather than an actual increase in the risk associated with the concerned expenditure.

Finally, as the 2014-2022 Rural Development Programmes are at closure stage ⁽³⁴⁾, it appeared that some Member States accelerated expenditure and maximised the absorption of available funds to mitigate the risk of decommitment. Such dynamics can occur at the end of multiannual programmes, as efforts intensity to complete remaining operations within limited timeframes. While this may have contributed to higher adjusted error rates and amounts under reservation and at risk, it also underscores the continued effectiveness of control systems in identifying and addressing issues before programme closure.

The **following sections describe** the key elements underpinning Commission-level assurance for DG AGRI's relevant expenditure under **shared management**, which represents 99.7% of DG AGRI's total relevant expenditure in 2025 ⁽³⁵⁾.

Shared management expenditure under 2023-2027 CAP Strategic Plans

Key Features of the Control Framework for the 2023-2027 CAP ⁽³⁶⁾

Under the 2023-2027 CAP, in accordance with the legal framework at EU level, Member States set the rules for final beneficiaries in their national CAP Strategic Plans, which are approved by the Commission. Member States are responsible for managing and implementing their CAP Strategic Plans and reporting on policy performance in their annual performance reports through Output and Result Indicators ⁽³⁷⁾ defined in the EU legal framework. If the CAP Strategic Plans are implemented as approved, they are expected to contribute to achieving the CAP objectives and generating the intended impact. The Commission verifies this by reviewing Member States' annual performance reports and assessing the functioning of the governance systems put in place and operated by the Member States.

Ensuring that the outputs declared by Member States and for which CAP beneficiaries receive support genuinely result from the actions defined in their CAP Strategic Plans is vital to

⁽³⁴⁾ The closure of the 2014-2022 Rural Development Programmes will be covered in DG AGRI's 2026 Annual Activity Report. For the final execution year, including the period from 16 October 2025 until 31 December 2025, Member States have until 30 June 2026 to submit their accounts covering the expenditure incurred to the Commission. The Commission will communicate to the Member State the results of its examination of the accounts, together with any amendments it proposes, within three months of receiving the final accounts, i.e., by 30 September 2026.

⁽³⁵⁾ Detailed control results for both shared management systems, as well as for direct and indirect management and non-expenditure items, are provided in Annex 7 (Part 2). Information on budget implementation tasks entrusted to REA is set out in Annex 7 (Part 5). [In this context, it is highlighted that REA maintained the reputational reservation in its 2025 Annual Activity Report.]

⁽³⁶⁾ The control system for expenditure under the 2023-2027 CAP Strategic Plans, accounting for 81.1% of DG AGRI's expenditure under shared management, has evolved from the traditional compliance-based system applicable to shared management expenditure outside the CAP Strategic Plans. Although shared management expenditure under the CAP Strategic Plans and shared management expenditure outside the Plans are subject to distinct assurance logics (performance-based versus compliance-based), the respective control systems operate within a common institutional framework. For a more detailed description, including the key differences between the two approaches, see Annex 6 and Annex 7 (Part 1). The materiality criteria for the assessment of these systems are detailed in Annex 5

⁽³⁷⁾ Result Indicators reflect the achievements of the CAP Strategic Plans, such as the share of agricultural land that is managed in a way to improve biodiversity.

achieving performance objectives ⁽³⁸⁾. Therefore, the proper functioning of Member States' governance systems in ensuring this outcome constitutes the first level of assurance that CAP funds are correctly spent. The second and third levels of assurance are provided by systems audits, respectively conducted by national audit authorities and the Commission services under the single audit approach. If serious deficiencies in the functioning of governance systems are identified, financial corrections are applied, considering the financial damage incurred by the Union ⁽³⁹⁾. In addition, based on its assessment of the proper functioning of these governance systems or if Member States fail to meet their milestones for certain Result Indicators, DG AGRI may issue reservations.

The following two subsections summarise results from various sources and layers to conclude on the fulfilment of the eligibility of expenditure under CAP Strategic Plans. DG AGRI used all referenced resources and tools to address ongoing challenges, thereby providing a solid foundation for obtaining sufficient assurance.

Performance results in 2025

Member States report on the implementation of the CAP Strategic Plans in their **annual performance reports**. To monitor implementation of these plans, the Commission checks progress in relation to the Result Indicators that are defined in the CAP Plan Regulation. In 2025, the **biennial performance review** assessing the achievement of milestones for those 22 Result Indicators took place for the first time. Member States had to justify shortfalls of milestones for any of the 22 Result Indicators that was above 35%. As the justifications of the Member States were considered sufficient, no performance reservations were issued in accordance with the materiality criteria defined in Annex 5.

The second full reporting shows that **the bulk of the CAP Strategic Plans are implemented according to plan**. In some cases, the aggregated EU results show that the plans perform better than expected like for area-based actions to protect and improve soils. However, there are also parts of the plans that perform less well, for instance interventions linked to risk management or interventions linked to the social sustainability. Most of this lack of results is linked to the relatively early stage in the programme cycle. Member States in some cases fund interventions still under the Rural development programmes from the previous financial period. In other cases, the interventions have a long lead time from call for proposals to payments. As a result, output, for instance, for investment projects is still limited. It is expected that implementation will pick up.

Further information can be found in Annex 7 Part A.1.1.

⁽³⁸⁾ The other key to performance is the achievement of the quantitative milestones/targets set in the CSP ("were enough actions taken to make the expected impact?"). This is currently monitored via the *biennial performance review exercise*.

⁽³⁹⁾ There is always a clear link between the deficiency and the risk for the EU Funds (i.e. financial corrections are not "sanctions").

How DG AGRI Follows Up Issues on Member States' Performance Results

When assessing the justifications of the Member States during the Biennial performance review for the shortfalls of 22 result indicators, Member States also indicate remedial actions to improve the performance. This allows the Commission to make a first assessment of why targets are not achieved and allows follow up with the Member States: for instance Member States may already provide explanations on improvement or the explanation provided may clarify that the actions are delayed but with reasonable dates for implementation to deliver in the following year. If the Commission is not satisfied, it can make observations to request additional information from the Member State and can also discuss these justifications in the Annual Review Meetings. This allows the Commission to work together with the Member State in improving its performance. If the Commission does not find the justifications sufficient, it may request the Member State to prepare an action plan with a view to improve the situation (with potentially, if shortcomings continue, leading to suspension of reimbursement of payments to member States).

Furthermore, the Commission will continuously support the Member States in the implementation of their CAP Strategic Plans via the structured dialogue, bilateral meetings, meetings of the Monitoring Committee, expert group meetings, explanatory notes and in the process of amending their CAP Strategic Plans.

One example of such a combined approach is the **eco-schemes**. Despite being a new tool, eco-schemes have been generally well received, resulting in a coverage of nearly 61% of EU's utilised agricultural area (98,3 million ha), keeping up with the planned milestones and with the legal requirements in terms of minimum budget expenditure. Overall, nearly 4.5 additional million hectares were engaged in claim year 2024 (FY 2025) compared to 2023, though the national picture is different. The "learning period" set out in the legal framework has given flexibility to Member States to adapt the catalogue of eco-schemes offered to farmers (i.e. type of actions, commitments, unit amounts). The recent simplification of the amendment procedure including the notification option, enables Member States to adjust more quickly the schemes to improve attractiveness. Challenges have been identified, leading to errors associated with eco-schemes during the first two year of implementation, notably for some innovative schemes that have been introduced for the first time in the CSP. The Commission has taken significant steps to support Member States in the design and implementation of eco-schemes. These efforts aim to promote best practices, address implementation challenges, and ensure the consistent application of eco-schemes across the Union.

In 2025, the Commission did not request any action plans from the Member States as the justifications of shortfalls were deemed sufficient and the remedial actions seemed adequate to further improve the performance. Before concluding that no action plans were needed, the performance of the CAP Strategic Plans was discussed with the Member States. Member States were asked for clarifications via Observation Letters regarding the annual performance reports and these were also discussed in the annual review meetings. In calendar year 2025, all Member States received observations on their annual performance reports. Member States provided additional information on the causes of the shortfalls of the milestones and remedial actions, and after exchanges with the Commission 14 Member States modified their CAP Strategic Plan with a view to improving matters.

Overall, the CAP is progressing in line with its specific objectives, rules and implementing mechanisms.

Following the **annual performance clearance** exercise for financial year 2024, the Commission reduced the total expenditure by EUR 19.344 million for seven Member States whose justifications for exceeding planned unit amounts were not accepted ⁽⁴⁰⁾. As the relationship between efforts and results proved disproportionate during this exercise, and to further simplify procedures, the performance clearance was discontinued as from financial year 2025.

Assessment of the functioning of the governance systems

In 2025, **expenditure under the 2023-2027 CAP Strategic Plans represented** EUR 46 254.90 million, representing 81.3% of relevant expenditure under shared management.

In financial year 2025, CAP expenditure was managed by **72 Paying Agencies in 27 Member States**, including one on probation. Of the 72 **Management Declarations** submitted by the Directors of the Paying Agencies, **one was qualified with a reservation**.

Certification Bodies generally confirmed the assessment of the Directors of Paying Agencies. Of the 137 **Certification Body Opinions** received, 103 were unqualified, four qualified, two adverse, and 28 with an emphasis of matter pointing out specific issues.

A review conducted by DG AGRI found that the work of the Certification Bodies is generally of good quality, although it also identified some areas that could benefit from improvement ⁽⁴¹⁾.

The latest triennial reports by the Competent Authorities on the Paying Agencies' continued compliance with accreditation criteria, received in June 2025 and covering financial years 2022-2024, confirmed that the Competent Authorities are in general well aware of the issues found by the Certification bodies and DG AGRI's own audit work and that they generally follow up remedial actions.

In financial year 2025, DG AGRI performed several **accreditation audits** to follow up and monitor earlier issues (e.g. SK01 and IT01) and check compliance with the accreditation criteria (e.g. LT01). Four dedicated audits focusing on information systems and cybersecurity were carried out confirming that foundational IT systems security controls are in place.

⁽⁴⁰⁾ Commission implementing decision (EU) 2025/2054 of 13 October 2025.

⁽⁴¹⁾ Details on the results of the 2025 financial clearance exercise and the controls conducted by DG AGRI in 2025 regarding the accreditation of Paying Agencies, IT systems and the quality of work carried out by the Certification Bodies can be found in Annex 7 (Parts 2.A.2.1 and 2).

ASSURANCE DERIVING FROM THE FUNCTIONING OF THE PAYING AGENCIES		
Accreditation of Paying Agencies	Fully accredited	71
	Provisional accreditation	0
	On probation	1 ⁽⁴²⁾
	Total	72
Opinions of Certification Bodies on the accounts of the Paying Agencies and the functioning of their governance and control systems	Received	72
	Not received	0
	Unqualified	67 ⁽⁴³⁾
	Qualified or adverse	5 ⁽⁴⁴⁾
Management Declarations signed by the directors of Paying Agencies	Received	72
	Not received	0
	Unqualified	71
	Qualified with reservation	1 ⁽⁴⁵⁾
Opinions of Certification Bodies on the Management Declarations	Received	72
	Not received	0
	Unqualified	70 ⁽⁴⁶⁾
	Qualified, adverse or disclaimer of opinion	2 ⁽⁴⁷⁾

Table: 2.1.2.a)-1

In 2025, DG AGRI conducted 45 conformity audit missions, focusing on the governance systems for IACS and, in the case of non-IACS, the governance systems of selected interventions. These audits also covered relevant expenditure from 2023 and 2024, in accordance with the “24-month rule” ⁽⁴⁸⁾. Additionally, where relevant, these audits also covered the legality and regularity of expenditure under the 2014-2022 programming period ⁽⁴⁹⁾.

When potential serious deficiencies in governance systems are detected, conformity procedures are launched. If these serious deficiencies are confirmed, they lead to net financial corrections. As the conformity procedures are designed to allow Member States adequate time to contest the Commission’s findings, for expenditure under the CAP Strategic Plans, only one conformity procedure for Belgium-Flanders Paying Agency has been concluded to date, and no net financial corrections have been decided yet ⁽⁵⁰⁾.

⁽⁴²⁾ Greek Paying Agency OPEKEPE (GR01).

⁽⁴³⁾ Per Paying Agency for all implemented funds. For 14 out of 67 the opinion was issued with emphasis of matter for either of the funds (BE03, DE04, DE11, DE15, DE17, DE18, DE21, DE27, EE01, ES09, ES12, ES18, RO01 & RO02).

⁽⁴⁴⁾ For Paying agencies CY01, ES15, GR01, NLO4 & SK01, for either of the funds.

⁽⁴⁵⁾ DE19

⁽⁴⁶⁾ For 10 out of 70 Paying Agencies with emphasis of matter (AT01, BE03, DE17, DE27, ES09, ES15, GR01, HR01, RO01 & RO02) for either or both of the funds.

⁽⁴⁷⁾ SK01 & NLO4 for either or both of the funds

⁽⁴⁸⁾ In accordance with the provisions of Article 55(4) of Regulation (EU) No 2021/2116, the conformity clearance covers expenditure incurred up to 24 months before the Commission officially notifies the Member State of its audit findings (i.e. the receipt by the Member State of the Letter of findings in its national language).

⁽⁴⁹⁾ Audits covering more than one area are counted only once in the sub-total

⁽⁵⁰⁾ The average length of a conformity clearance procedure in calendar years 2023-2025 was approximately 21 months (excluding audits closed without findings).

Table: 2.1.2.a)-2 presents an overview of DG AGRI audit missions and desk checks in 2025 ⁽⁵¹⁾:

Number of audit missions and desk checks performed in 2025				
	Population specific		Other	Total
	IACS	Non IACS		
Audit missions				
Number	15	17	5 IT audits 8 Accreditation audits	45
Member States covered	Member States (AT-BG-CY-DE-DK-ES-EE-FI-FR-HU-IT-MT-RO-SK)	Member States (BE-CZ-DK-ES-GR-FI-FR-IE-IT-LV-RO-SE)	IT audits (BE - EE - GR - HU - SK) Accreditation audits (ES - FR - HU - IT - LT - LV - PL)	All Member States except (AT - BG - CY - DE - MT - SI)
	(14 Member States)	(12 Member States)	(11 Member States)	(21 Member States)
Desk checks				
Number	8	10	73 Financial clearance 9 Pre-Accession	100
Member States covered	Member States (BG - CZ - ES - FR - GR - HR - PT - RO)	Member States (BG, DE, DK, ES, FI, FR, GR, HU, NL, PT)	Financial clearance: All Member States Pre-Accession: (AL - ME - MK - RS - TR)	27 Member States and 5 EU candidate countries
	(8 Member States)	(10 Member States)	(27 Member States and 5 EU candidate countries)	(27 Member States and 5 EU candidate countries)

Table: 2.1.2.a)-2

IACS covered 92% of relevant expenditure under CAP Strategic Plans in 2025. Non-IACS interventions represented 8% of relevant expenditure under CAP Strategic Plans in 2025 ⁽⁵²⁾. This share is expected to increase in the coming years, as Member States finished spending under their 2014-2022 Rural development programmes at the end of calendar year 2025, and given the multiannual nature of most of the rural development interventions concerned.

In general, for the IACS population, the audits performed in 2025 showed that Member States' governance systems for the 2023-2027 CAP are operational. In some cases ⁽⁵³⁾, potential serious deficiencies regarding IACS and/or in conditionality were found, and conformity procedures were opened to assess the possible risk to the Union budget. The correct implementation and proper functioning of certain eco-schemes and environment-climate interventions designed by the Member States continued to present challenges in 2025.

Regarding the **non-IACS population**, DG AGRI's findings include system weaknesses that were found already in CAP 2014-2022 expenditure and were not addressed yet with sufficient corrective actions by the Member States. Therefore, these weaknesses continue to pose a risk to the Funds under the 2023-2027 CAP. For CAP 2014-2022, this is covered by corrections. The implementation of corrective actions for the CAP 2023-2027 is closely followed up by the Commission in the assessment of the annual assurance packages. Where necessary, conformity procedures are launched to exclude expenditure from EU financing not incurred in conformity

⁽⁵¹⁾ The audits and desk checks related to expenditure outside the CAP Strategic Plans are also split per population (IACS and non-IACS) in the table. Audits and desk-checks covering more than one ABB or the expenditure of different programming periods are only counted once.

⁽⁵²⁾ Overall, for shared management both under and outside the CAP Strategic Plans in 2025, expenditure under non-IACS systems represented 34% of DG AGRI's shared management expenditure. Specifically, for expenditure outside the CAP Strategic Plans, non-IACS systems accounted for 95%.

⁽⁵³⁾ AT, BE, BG, CY, CZ, DE, DK, EE, ES, FI, FR, HU, LV, MT, NL, RO, SI, SK

with EU rules, thereby protecting the EU budget from expenditure that should not have been charged to it.

For cases where it has not yet been possible to define more precisely the scope of potentially cross-cutting deficiencies, such as the risk of circumvention or land at disposal, ongoing enquiries will further specify the exact population at risk and the potential financial implications.

Details of the audit work and results for the IACS and non-IACS populations are provided in Annex 7 (Part 2.A.2.3). In addition, the specific cross-cutting issues identified in the Paying Agency GRO1 – OPEKEPE are further described in Annex 7 (Part 2.A.2.4).

DG AGRI’s conclusion on the assurance for expenditure under the **CAP Strategic Plans** is based on the gradings of Paying Agencies’ governance systems reported by the Certification Bodies ⁽⁵⁴⁾ and adjusted on a case-by-case basis, considering all relevant information available, including DG AGRI’s own audit findings and findings from the European Court of Auditors ⁽⁵⁵⁾. The corresponding **expenditure** is then **categorised into low-, medium-, and high-risk** segments for each population ⁽⁵⁶⁾.

Expenditure under each expenditure segment for each population is presented in table 2.1.2.a)-3.

Total population		Low risk		Medium risk		High risk		
IACS	Expenditure	42 439 290 259.39	29 022 134 400.41	68%	10 486 036 839.89	25%	2 931 119 019.09	7%
	Number of interventions	1 745	1 224	70%	398	23%	123	7%
NIACS	Expenditure	3 815 606 839.24	2 515 915 215.87	66%	662 352 092.11	17%	637 339 531.25	17%
	Number of interventions	1 120	964	86%	50	4%	106	9%
Total	Expenditure	46 254 897 098.62	31 538 049 616.29	68%	11 148 388 932.00	24%	3 568 458 550.34	8%
	Number of interventions	2 865	2 188	76%	448	16%	229	8%

Table: 2.1.2.a)-3

Under **IACS**, 1 224 interventions (68% of total IACS expenditure) are assessed as low risk (governance systems functioning well or functioning), 398 interventions (25% of total IACS expenditure) as medium risk (governance systems partially functioning), 123 interventions (7%) as high risk (governance systems not functioning) due to identified potential serious deficiencies.

Under **non-IACS**, 964 interventions (66% of total non-IACS expenditure) are assessed as low risk (governance systems functioning well or functioning), 50 interventions (17% of total non-

⁽⁵⁴⁾ Certification Bodies are requested to report a grading to the governance systems for each of the Interventions managed by the respective Paying Agency. There are four grades describing the functioning of the governance systems of the interventions:

4 - Functioning well: no or very few exceptions in the tests of controls were found.

3 - Functioning: few exceptions in the tests of controls were found.

2 - Partially functioning: some exceptions in the tests of controls were found.

1 - Not functioning: several systemic exceptions in the tests of controls were found, affecting substantially the effectiveness of controls.

⁽⁵⁵⁾ It is important to emphasise that an adjusted grading does not imply that the Certification Body that issued the grading is unreliable.

⁽⁵⁶⁾ Detailed explanations of this process are available in Annex 5 (materiality criteria) and Annex 7 (Part 2.A.2.3).

IACS expenditure) as medium risk (governance systems partially functioning), and 106 interventions (17% of total non-IACS expenditure) are estimated as high risk (governance systems not functioning) due to identified potential serious deficiencies ⁽⁵⁷⁾.

For interventions where potential serious deficiencies in the functioning of the governance systems are confirmed, the protection of the EU budget will be ensured through necessary **corrective and other protection measures** implemented by Member States and DG AGRI ⁽⁵⁸⁾.

Based on the criteria established in Annex 5, the following reservations are issued:

- IACS population: 19 reservations for Paying Agencies in 14 Member States (56 interventions)
- Non-IACS population: 15 reservations for Paying Agencies in 11 Member States (26 interventions)

As most of the expenditure in medium and high-risk segments is not directly “at risk” and does not represent non-compliant expenditure, reservations under the new assurance model are not quantified ⁽⁵⁹⁾.

Shared management expenditure outside of CAP Strategic Plans

In 2025, **expenditure outside of CAP Strategic Plans** represented **EUR 10 611.37million** or 18.7% of relevant expenditure under shared management. Of this amount, 83% relates to 2014-2022 Rural development programmes (ABBO4), 12% ⁽⁶⁰⁾ is linked to Market measures (ABBO2), and 5% to Direct payments (ABBO3) ⁽⁶¹⁾.

Shared management outside CAP Strategic Plans relevant expenditure

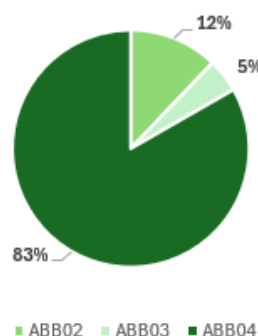


Chart: 2.1.2.a)-2

⁽⁵⁷⁾ Details on the results per Paying Agency for both IACS and non-IACS type of interventions are included in Annex 7 (Part 2, section A.2.3).

⁽⁵⁸⁾ For further details, see Annex 7 (Part 3).

⁽⁵⁹⁾ Further details can be found in Annex 9 (Part 3).

⁽⁶⁰⁾ Decrease of share compared to 2024 mainly due to 2014-2022 measures that will gradually move under the CAP Strategic Plan (as sectoral interventions).

⁽⁶¹⁾ Details on the calculation of adjusted rates and criteria for issuing reservations are provided in Annex 5. Annex 7 contains information on measures, expenditure, and DG AGRI’s assessment, while Annex 9 includes the lists of reservations.

The Commission applies established processes to manage risks related to **legality and regularity** of the underlying transactions, with the objective of keeping the residual risk to the EU budget below 2% ⁽⁶²⁾. Net financial corrections imposed on Member States and Member State recoveries from final beneficiaries are factored into the overall risk assessment.

Chart 2.1.2.a)-3 presents the **estimated risk at payment and at closure** by ABB.

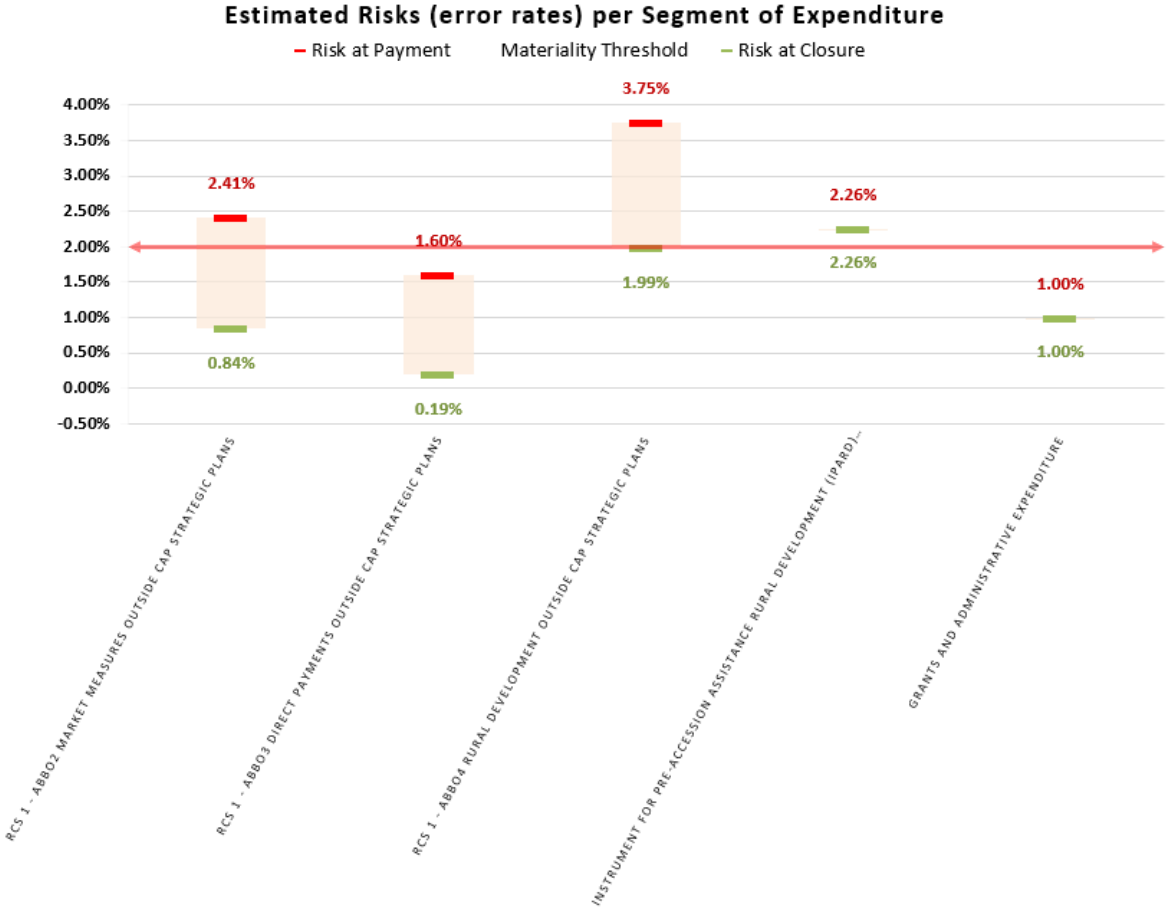


Chart 2.1.2.a)-3

ABB02 – Market measures outside CAP Strategic Plans

Market measures in 2025 amounted to EUR **1 287.64** million (12% of relevant expenditure outside of CAP Strategic Plans) across 7 measures, mainly fruit and vegetables, POSEI and Smaller Aegean islands, school schemes and wine.

Given their diversity, a measure-by-measure approach was applied to calculate adjusted error rates as well as amounts at risk and under reservation. The total **amount at risk** is estimated at **EUR 31.03 million**, corresponding to an **adjusted error rate** at payment of **2.41%**, as

⁽⁶²⁾ The methodology is detailed in Annex 5.

compared to 1.99% in 2024. The increase in the adjusted error rate is mainly driven by higher reported error rates for promotion measures, as well as adjustments for wine national support programmes and fruit and vegetable producer organisations based on DG AGRI audits.

Six reservations for three Member States are issued (see the list of reservations in Annex 9), with a **total financial impact of EUR 17.44 million**.

ABB03 – Direct payments outside CAP Strategic Plans

A total amount of **EUR 487.34 million** of expenditure in 2025 related to Direct payments outside of CAP Strategic Plans.

Of this, **EUR 438.41 million concerned POSEI and smaller Aegean islands measures under IACS** with a 2025 risk at payment of 1.61%, corresponding to an amount at risk of EUR 7.05 million. Under the latter, **one reservation is issued for Greece** with total **financial impact of EUR 1.79 million**.

Given its relatively low significance, no specific assessment was performed for the remaining EUR 48.93 million. A prudent estimate based on the **2023 adjusted error rate** for Direct payments (**1.48%**) results in **EUR 0.72 million at risk**. As this remains below the 2% materiality threshold, no reservation is issued.

Overall, the **adjusted error rate** at payment is **1.60%**, as compared to 5.95% in 2024, corresponding to an amount **at risk** of **EUR 7.80 million**.

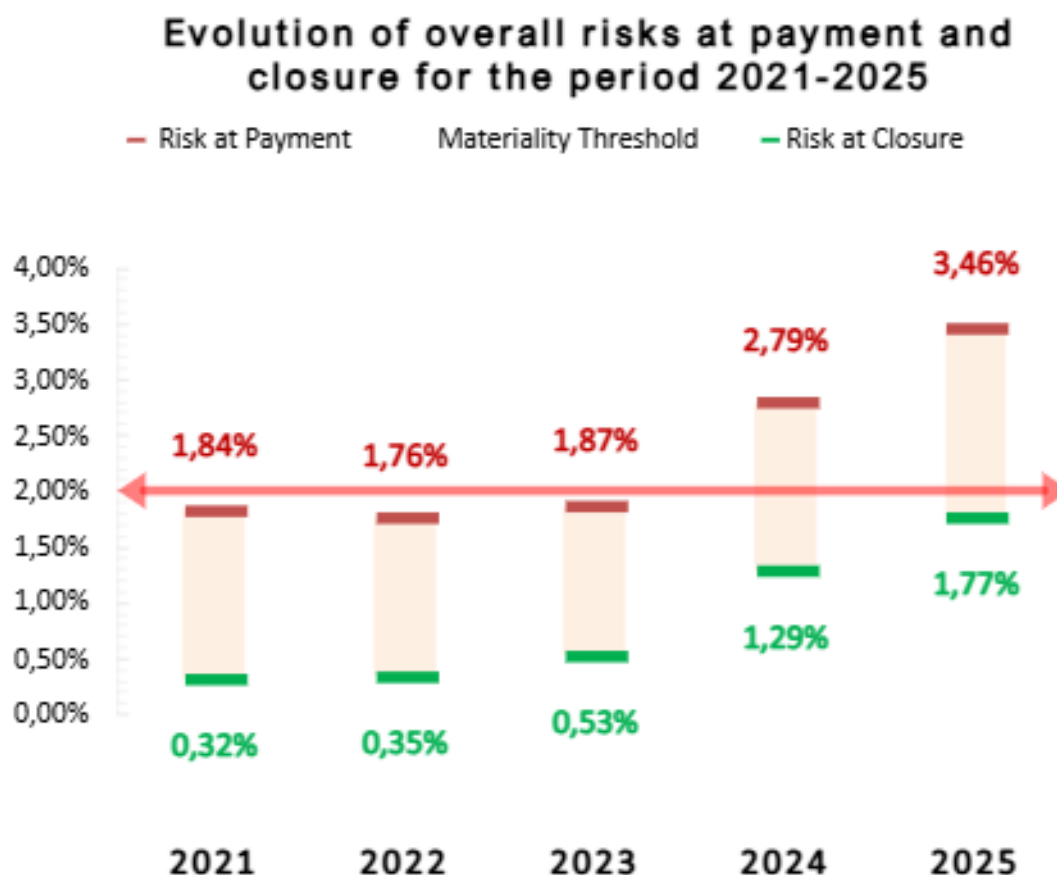
ABB04 – Rural development outside CAP Strategic Plans

Expenditure under the 2014-2022 Rural development programmes amounted to EUR 8 836.39 million in 2025, representing 83% of the relevant expenditure under shared management outside the CAP Strategic Plans.

The **adjusted error rate** at payment is **3.75%**, as compared to 2.79% in 2024, corresponding to an amount **at risk** of EUR 331.60 million. For further details, including key factors behind the results of the 2025 assessment, please refer to the *Key Factors Behind the Results of the 2025 Assessment* above and Annex 7, Part 2.B.3.

10 Paying Agencies in 10 Member States are subject to reservations, with a total financial impact of EUR 281.49 million (see the list of reservations in Annex 9).

b) Estimation of the overall risk



*) Error rates for 2024 and 2025 apply exclusively to expenditure outside the CAP Strategic Plans, which represented 18.6% of DG AGRI's relevant expenditure in 2025 and 22.6% in 2024.

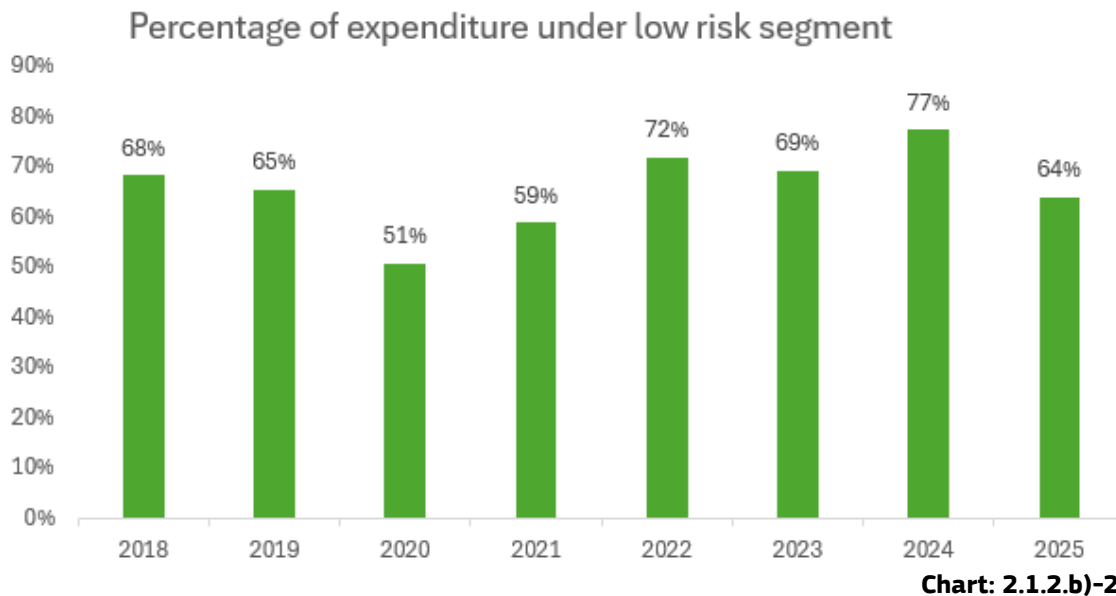
Chart 2.1.2.b)-1

For **2025 expenditure outside CAP Strategic Plans**, the estimated overall risk at payment is 3.46% which corresponds to EUR 372.94 million and represents the Authorising Officer by Delegation's (AOD) best conservative estimate of the proportion of relevant expenditure that did not conform to the contractual and regulatory provisions applicable at the time of payment.

This expenditure remains subject to ex-post controls, through which a proportion of underlying errors will be detected and corrected in subsequent years, anticipated through conservatively estimated future corrections for 2025 expenditure amounting to EUR 182.61 million, 1.69% of the relevant expenditure. The difference between these two figures represents the **estimated overall risk at closure** ⁽⁶³⁾, which is EUR 190.34 million, **1.77% for 2025**.

⁽⁶³⁾ This is the AOD's best, conservative estimation of the expenditure authorised during the year that would remain not in conformity of applicable regulatory and contractual provisions by the end of implementation of the programme.

It is important to emphasise that these estimates do not reflect the overall assurance provided, as the bulk of shared management expenditure in 2025 is under the CAP Strategic Plans, for which no risk at payment and no risk at closure can be calculated. Moreover, the figures for 2024 and 2025 are not directly comparable to previous years, due to a shift in the composition of the concerned expenditure, with a higher share related to non-IACS segments (mostly Rural Development: 83%), which are traditionally more error-prone than the IACS population.



Across all control systems, 64% of DG AGRI’s expenditure in 2025 is classified as low-risk, 20% as medium-risk, and 16% as high-risk ⁽⁶⁴⁾.

Understanding Risk Segmentation in CAP Expenditure

The majority of **expenditure in the medium- and high-risk segments is not, as such, “at risk”** and does not imply that the expenditure is ineligible or non-compliant.

For expenditure under the CAP Strategic Plans, expenditure in medium- and high-risk segments typically reflects the fact that the related interventions are implemented under governance systems affected by potential serious deficiencies. These deficiencies remain subject to confirmation through conformity procedures, and their financial impact has yet to be quantified. Only in a very limited number of cases has it been possible, at this stage, to quantify the potential financial risks more precisely.

For expenditure falling outside CAP Strategic Plans, the amount at risk is reflected in the reported estimated risk at payment and risk at closure.

The share of low-risk expenditure in 2025 is slightly smaller than in the previous year but remains **within the results of the past six years**, ranging from 51% (in 2020) to 77% (in 2024). This underscores the maturity of the Member States’ governance systems under which CAP expenditure is effected.

⁽⁶⁴⁾ See criteria for classification in Annex 7 (Part 2.E).

How DG AGRI Follows Up Issues in Member States' Control Systems

DG AGRI employs a comprehensive toolkit to strengthen Member States' management and control systems. This toolkit combines proactive guidance, structured knowledge-sharing, and — where necessary — conformity procedures to support effective CAP delivery and policy performance.

To support Member States in meeting their obligations, DG AGRI provides targeted guidance documents addressing complex or recurrent challenges. Previous guidance has covered topics such as the management of conflicts of interest and what constitutes a potential serious deficiency.

Audit findings are systematically presented and discussed in relevant expert groups and committees, serving to flag areas of concern and promote timely remedial action across Member States.

Knowledge exchange is further advanced through regular conferences bringing together Heads of Paying Agencies, offering a structured forum for dialogue on control challenges, emerging risks, and operational solutions. The European CAP Network complements this through workshops, seminars, and thematic events that disseminate best practices and provide practical operational guidance for the implementation of CAP Strategic Plans. These platforms also enable peer learning, allowing Member States to benefit from each other's experience in addressing systemic weaknesses.

To safeguard EU funds, DG AGRI applies a **conformity procedure**. For expenditure under CAP Strategic Plans, conformity procedures are triggered when management and control systems have been found to be affected by potential serious deficiencies. If the serious deficiencies are confirmed, the Commission proposes financial corrections that are proportionate to the severity of the issues identified. These financial corrections serve a dual purpose: protecting the EU budget from irregular expenditure and providing a strong incentive for Member States to invest in durable improvements to their control systems.

Member States are also required to implement remedial actions within defined timeframes. In more severe cases, they must submit formal **action plans** setting out concrete corrective measures. The implementation of remedial actions is closely and continuously monitored by the Commission. In cases where a Member State fails to submit or implement an action plan, where an action plan is insufficient, or where an action has not been implemented as requested by the Commission, the Commission may additionally suspend payments to provide immediate budgetary protection pending resolution.

Building on these mechanisms, DG AGRI will continue to issue targeted guidance to Member States as appropriate, drawing on the lessons and operational experience to support sound CAP implementation and inform future policy design. DG AGRI is equally committed to simplifying its guidance and ensuring a proportionate system in line with the single audit principle.

One example is a forthcoming policy paper on best practices for agri-environmental and climate actions under the CAP post-2027, which will support both the ongoing implementation of 2023-2027 CAP Strategic Plans and the development of future actions in this area. A key message is that Member States should continue to work towards achieving a balance between environmental effectiveness, simplification, and ease of monitoring.

Through this integrated approach — spanning preventive guidance, structured collaboration, and robust enforcement — DG AGRI fosters a culture of continuous improvement in CAP delivery while ensuring the effective protection of EU financial interests.

For an overview at Commission level, the departments' estimated expenditure risk segments are consolidated in the AMPR.

c) Quantitative benefits of controls: preventive and corrective measures

With its ex-ante and ex-post controls, DG AGRI has an effective mechanism in place for detecting and correcting errors. In 2025, the financial volume of errors corrected through ex-post controls represented EUR 1 197.77 million, including EUR 219.32 million from controls performed by the Member States. For expenditure under the CAP Strategic Plans, Member States do not report the amount corrected before payment. For other expenditure, **ex-ante controls** from Member States led to corrections of EUR 153.46 million compared to EUR 175.57 million in 2024.

Compared to previous year's EUR 860.07 million from **ex-post controls**, there is an increase primarily due to higher net financial corrections: the net decided amount in 2025 was EUR 782.32 million, exceeding the previous three-year annual average of EUR 431 million, mainly due to a very high amount of total corrections in one of the decisions ⁽⁶⁵⁾.

d) Assessment of the control results for non-expenditure items

DG AGRI manages sensitive information systems costing EUR 25.59 million. Details on the adequate safeguarding and the control results for non-expenditure items are provided in Annex 7, Part 2.D.

e) Fraud prevention, detection and correction

Following the closure of investigations in 2025, OLAF issued 10 financial recommendations for the recovery of CAP funds from various beneficiaries. This represents a decrease compared to 2024 (12 financial recommendations), which may be linked to the increasing number of cases handled directly by the European Public Prosecutor Office (EPPO).

DG AGRI is following up these financial recommendations with the competent authorities in the Member States concerned, which are solely responsible for enacting recoveries from beneficiaries. Five recommendations have already been transmitted to the Member States to initiate recovery procedures, while five financial recommendations received late in 2025 were processed in early 2026. In addition, OLAF issued administrative recommendations in four cases (two in 2024).

⁽⁶⁵⁾ Decision EU (2025)1147 (ad hoc 76). Refer to Annex 7 (Part 3A) for detailed tables and explanations regarding the origin and trends of preventive and corrective measures. Annex 7 (Part 3B) outlines how the EU budget is protected through interruptions, reductions, and suspensions.

DG AGRI has developed and implemented its own anti-fraud strategy (AGRI AFS) since September 2012, based on the methodology provided by OLAF. Since its inception, the AGRI AFS has placed strong emphasis on capacity-building within Member State authorities to prevent, detect, and correct fraud and other serious irregularities, in line with the principle of shared management. All Member States (and candidate countries) have received targeted training and written guidance in this area. Moreover, the number of cases of (suspected) fraud detected and reported by Member States is overall relatively low. According to the latest PIF Report ⁽⁶⁶⁾ (2024), irregularities reported as fraudulent in the CAP account for 0.05% (5-year average) of the payments made, amounting to approximately EUR 24 million for year 2024 (the same amount for 2023), against an annual CAP budget of almost EUR 56 billion.

To align the DG AGRI AFS last updated in 2020 with the revised 2023 Commission anti-fraud strategy Action Plan (CAFS), DG AGRI began updating its AFS in 2024. However, in agreement with OLAF, it was decided to first carry out a new DG AGRI Horizontal Fraud Risk Assessment (FRA), last updated in December 2022, with the support of an external contractor. DG AGRI will finalise the updated FRA by July 2026 at the latest, and this assessment will form the basis for updating the AFS.

As co-lead service for actions 1, 14, 15, 16, 18 and 19 of the Commission Anti-Fraud Strategy Action Plan of July 2023, DG AGRI has provided timely contributions to OLAF as requested. In this context, all actions under the DG AGRI AFS 2020 have been implemented as appropriate.

Corrective measures based on OLAF recommendations are reported on in the context of annual monitoring exercises conducted by OLAF, in accordance with Article 11 of Regulation 883/2013.

A central aspect of the AGRI AFS is a robust implementation of OLAF's financial recommendations, almost all of which aim at the recovery of funds from final beneficiaries. These recoveries are carried out by the CAP Paying Agencies in the Member States and constitute a specific follow-up to the CAFS.

Implementation of the AGRI AFS is monitored and reported to the management annually through a report submitted to DG AGRI Director-General by the DG AGRI antifraud correspondent. Moreover, the centralised procedure for the transmitting OLAF final reports to the Paying Agencies and for monitoring their implementation functions effectively and enables reliable follow-up. Timely reporting by the Paying Agencies, within defined deadlines and with detailed information on recovery procedures, allows for accurate monitoring of recoveries following OLAF recommendations.

OLAF recommendations from previous years (2021-2025) have largely been implemented by the Member States. However, not in all cases were the amounts recommended by OLAF recovered from beneficiaries (some beneficiaries appealed recovery orders in court and obtained (partial) success; some had become insolvent).

More generally, over the period 2021-2025, OLAF issued 75 final reports to DG AGRI containing financial recommendations, mostly for recoveries from final beneficiaries. Of the total amount recommended for recovery, 100% was returned to the EU budget through the application of financial corrections following DG AGRI audits, in some cases exceeding the scope of the

⁽⁶⁶⁾ Report on the protection of the EU's financial interests ("PIF" report).

respective OLAF investigations. However, approximately 75% of the individual files reported by OLAF are still being implemented by the Paying Agencies in the Member States, in line with the principles of shared management, even if the related amounts are relatively small. DG AGRI continuously monitors recovery procedures by the Member States to ensure their timely and diligent implementation, including through the application of the 50/50 rule, where applicable, after 4 years have elapsed without recovery (or 8 years in case of judicial challenges). Situations where recovery is not possible therefore remain limited to successful judicial challenges or cases of insolvency declared in line with national laws.

In 2025, the EPPO notified 117 files related to the CAP (109 in 2024). DG AGRI takes this information into account in its risk assessment for its audit activities. Under shared management, any administrative follow-up of criminal cases investigated by EPPO is to be carried out, when needed, by the CAP Paying Agencies.

In conclusion, the antifraud measures in place ensure that the risk of fraud against CAP funds remains low.

Based on the available information, **DG AGRI has reasonable assurance that the antifraud measures in place are effective overall.**

Details regarding the objective of the minimisation of the risk of fraud through the application of effective antifraud measures can be found in Annex 7, Part 6.

2.1.3. Efficiency

The transition in 2025 to the Commission's new accounting system, SUMMA, has required the adjustment to a new system and has impacted budget implementation tasks, processes and financial management activities, particularly during the first part of the year. This has required careful management to ensure the same data quality as in previous years. **As far as timely payments are concerned, DG AGRI shows an excellent rate of 99% (EC average: 97%).** The large part of its budget is operated under shared management, and there is also a small budget under direct management.

Shared management

99.4% ⁽⁶⁷⁾ of DG AGRI's total expenditure is executed under shared management mode. The table below shows DG AGRI's performance for EAFRD and EAGF:

⁽⁶⁷⁾ The percentage refers to the implementation under shared management of the voted payment appropriations for policy areas 01, 08, 14 and 15.

	2019	2020	2021	2022	2023	2024	2025
EAFRD average time to pay*	24	19	25	25	25	24	36
EAGF average time to pay**	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EAFRD % of payments made on time	100	100	100	100	99.2	100	98.1 ⁽⁶⁸⁾
EAGF % of payments made on time	100	100	100	100	100	100	100
* Deadline is 45 days							
** According to the legislation in force, the payments are executed on the 3 rd working day of each month.							

Table: 2.1.3-1

The EAFRD average time to pay for 2025 is calculated following the criteria of the new Annex 4, i.e. number of days between reception of the declaration of expenditures and bank value date. In previous years, the figure reported represented the number of days between the reception and the latest validation by the AOSD. This figure also includes 39 transactions erroneously indicated as late payments in SUMMA due to issues related to the registration of the invoice in the local system in case of lifting of capping. In 3 additional cases, there was an unusual delay for the bank payment after the AOSD validation.

As regards Member States, for financial year 2025, all Paying Agencies were accredited, although 1 of them ⁽⁶⁹⁾ on probation.

Indicator	2019	2020	2021	2022	2023	2024	2025
% of Paying Agencies accredited	100%	100%	100%	100%	100%	100%	100%

Table: 2.1.3-2

Direct management

Time to inform and Time to grant

In 2025, DG AGRI launched **2 calls for proposals**: one on information measures (IMCAP) and one on the 58th Conference of EU Paying Agencies. In accordance with Article 197(2)(a) of the Financial Regulation ⁽⁷⁰⁾, applicants shall be informed of the outcome of the evaluation of their application within a maximum of six months from the final date for submission of complete proposals. In accordance with Article 194(2)(b) of the Financial Regulation, grant agreements shall be signed with applicants within a maximum of three months from the date of informing applicants that they have been successful.

DG AGRI has informed applicants of the outcome of the evaluation on average within five months of the final date for submission of proposals. As next step, DG AGRI signed the

⁽⁶⁸⁾ Following the criteria used in the new Annex IV, this figure refers to the percentage of amounts paid late in relation to the total paid for EAFRD shared management while in previous years it referred to the number of transactions paid late in relation to the total of transactions. Please see also comment above on average payment time.

⁽⁶⁹⁾ GRO1

⁽⁷⁰⁾ Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union.

respective grant agreements within two to three months from the date of informing successful applicants.

Time to pay

Article 116(1) of the Financial Regulation fixes the time limits for payments for contribution agreements, contracts and grant agreements.

For direct management, the **performance** regarding payments remained excellent with 97.9% processed within the binding deadlines imposed by the Financial Regulation.

	Financial year / performance %							
	2022	%	2023	%	2024	%	2025	%
Number of payments								
Total	900	100	975	100	1044	100	1043	100
Paid on time	897	99.67	964	99	1042	99.8	1021	97.9
Payment delayed	3	0.33	11	1	2	0.2	22	2.1

Table: 2.1.3-3

The higher rate of transactions not paid on time is due to horizontal issues common to all Commission services, including an extension of bank execution value dates (from 3-5 days to 8 days), the late arrival of invoices, and numerous technical issues linked to the transition to the Commission's new accounting system SUMMA.

Conclusion on the control efficiency

In view of the indicators mentioned above, DG AGRI considers that the **relative level of efficiency of the controls operated is adequate**.

2.1.4. Economy of controls

For the EAGF and the EAFRD, the two main funds managed by DG AGRI, the following indicators can be reported:

Indicator	2022	2023	2024	2025
Cost of management and control of the Commission (as a % of payment appropriations executed by the Commission for shared management)	0.11%	0.11%	0.12%	0.12%
Cost of management and control of the Member States, i.e. the 'delivery cost' (as a % of total public expenditure)	3.5%	3.5%	4.1%	4.1%

Table: 2.1.4-1

The annual overall **Commission** cost for managing the management and control systems in place for shared management is estimated at around **EUR 68.1 million** or 0.12% of total

payments in 2025. A comparison of the results indicates that the results are in line with those obtained for earlier reporting exercises (financial years 2018-2024).

DG AGRI considers this overall cost to be very reasonable and very cost effective.

The costs were calculated using the common methodology developed by the Commission to measure the cost of controls. The data used result from a survey performed in DG AGRI services in 2022, following the 2022 re-organisation, and the calculation was updated accordingly. Nevertheless, DG AGRI's cost of management and control remained stable and are well below the target set in the 2025 Management Plan (overall estimated cost of controls remains below 0.5% of funds managed). The data relate, for nearly one third, to the staff involved in audit activities. The remaining costs relate to staff in the operational directorates dealing with programme management, and to staff involved in the financial management of the funds, budget and accounting, coordination, anti-fraud or ICT. The cost of controls for intangible assets is included in the DG's total amount and cannot be provided separately ⁽⁷¹⁾.

The **delivery costs borne by the Member States** are associated with the activities of the Paying Agencies in managing and controlling the CAP expenditure. These activities include providing potential beneficiaries with the necessary resources to lodge applications, as well as conducting controls, making payments, maintaining accounts, and reporting to the Commission. The delivery costs are borne by the Member States. Every two or three years, DG AGRI carries out a survey on delivery cost within the Paying Agencies. Based on the latest survey in 2024 and taking into account the Member States' budget for financial year 2025, the overall delivery cost for managing and controlling CAP expenditure for the Member States for financial year 2025 expressed as a share of CAP expenditure, was 4.1%.

Activity	2024		2025	
	Member States Management and Control Costs (EUR million)	in % of 2024 expenditure	Member States Management and Control Costs (EUR million)	in % of 2025 expenditure
Total ⁽¹⁾	2 333.1	4.1%	2 333.1	4.1%

Table: 2.1.4-2

⁽¹⁾ In % of 2025 CAP expenditure (including total public expenditure)

2.1.5. Conclusion on the cost-effectiveness of controls

DG AGRI considers that the delivery costs as presented in Table 2.1.4-2 represent a reasonable amount, especially when taking into account the high number of CAP beneficiaries (5.6 million beneficiaries in 2025), the parallel implementation of 2023-2027 CAP Strategic Plans and 2014-2022 Rural development programmes, the relatively small size of most payments to individual beneficiaries, the increase of the salaries of the staff working at the Paying Agencies, the necessity of protecting the EU financial interests, and the overall performance of the policy.

⁽⁷¹⁾ The figures at Commission level are reported in Annex 7, Part 4 (see Table 4.1 on "Overview of AGRI's estimated cost of controls at Commission (EC) level").

In the coming years, lessons learned from the initial phases of implementing the CAP Strategic Plans, as well as the increased use of new technologies and simplified cost options may still lead to further improvements in cost-effectiveness at Member State level.

Based on the most relevant key indicators and control results, DG AGRI has assessed the effectiveness, efficiency and economy of its control system and reached a positive conclusion on the cost-effectiveness of the controls for which it is responsible.

Just like in 2024, DG AGRI’s control environment and control strategy have remained stable. In view of the result indicators mentioned above, DG AGRI considers that the relative level of cost-effectiveness, economy and efficiency of the controls operated is adequate.

2.2. Audit observations and recommendations ⁽⁷²⁾

This section sets out briefly the state of play for all audit observations and recommendations reported by auditors related either to performance aspects or to internal control and financial management. Further details for IAS and ECA audits can be found in Annex 8.

Where an audit has detected weaknesses affecting an internal control principle or the department’s assurance, a detailed analysis is provided further below in section 2.3 and, where applicable, the incidence on the AOD’s assurance is presented in section 2.4, accordingly.

Internal Audit Service

Reported	Audit Title	Accepted Recommendation	State of play in 2025	Impact on the assurance for 2025
Audits related to financial management and internal control				
2023	European Commission actions against food fraud in DG AGRI	Very important: address weaknesses in OFIS	✓	✓
		Very important: use of artificial intelligence and data mining tools and potential link between OFIS ⁽⁷³⁾ and iRASFF ⁽⁷⁴⁾	✓	✓
2024	Preparedness of DG AGRI in designing the assurance building model under the new	Very important: design of the assurance framework under the New Delivery Model not yet complete	✓	✓
		Very important: assessment of Certification Bodies’ audit strategies	✓	✓

⁽⁷²⁾ Details on ECA recommendations and on ECA special reports published with relevance for DG AGRI can be found in Annex 8.

⁽⁷³⁾ Organic Farming Information System

⁽⁷⁴⁾ Integrated Rapid Alert System for Food and Feed

Reported	Audit Title	Accepted Recommendation	State of play in 2025	Impact on the assurance for 2025
	CAP Strategic Plans	Very important: decision on how to report on assurance for expenditure under the CAP Strategic Plans in the AAR not yet in place	☑	☑
2025	IT security risk management at the Commission	Very important: IT Security risk management methodologies and tools	🕒	☑
Audits related to performance aspects				
2025	Design of the performance monitoring and evaluation framework for the CAP 2023-2027	Very important: approval of changes to milestones and targets for result indicators	🕒	☑
2025	The amendments of the CAP national strategic plans	Very Important: ensure clarity on the date of eligibility for notified changes	📄	☑
		Very important: request for corrections on detected non-compliances in CAP Strategic Plans	📄	☑
		Very important: clarify acceptable deviations between outputs and result indicators and reinforcement checks on outputs	📄	☑

State of play		Assurance	
☑	Action plan implemented or awaiting review from IAS	☑	No impact on the assurance
🕒	Action plan implementation is ongoing	🚩	Impact on the assurance
📄	Preparation of the action plan		

European Court of Auditors

Reported	Audit Title	Accepted Recommendation	State of play in 2025	Impact on the assurance for 2025
Audits related to financial management and internal control				
2021	Statement of Assurance (DAS)	6.1, 6.2	☑	☑
2022	Statement of Assurance (DAS)	7.1	☑	☑
2023	Statement of Assurance (DAS)	7.1	☑	☑
2024	Statement of Assurance (DAS)	7.1	🕒	☑
Audits related to performance aspects				
2021	Sustainable water use in agriculture: CAP funds more likely to promote greater rather than more efficient water use	3	🕒	☑
2022	Climate spending in the 2014-2020 EU budget: Not as high as reported	1	🕒	☑

Reported	Audit Title	Accepted Recommendation	State of play in 2025	Impact on the assurance for 2025
2022	EU intellectual property rights – Protection not fully waterproof	4	✓	✓
2022	Data in the Common Agricultural Policy: Unrealised potential of big data for policy evaluations	2a, 2b, 2c	✓	✓
2022	LEADER and community-led local development facilitates local engagement but additional benefits still not sufficiently demonstrated	1	✓	✓
2023	EU efforts for sustainable soil management - Unambitious standards and limited targeting	1a, 1b, 2a, 2b	⌚	✓
2023	Securing agricultural product supply chains during COVID-19 - EU response was rapid, but insufficiently targeted by member states	1a	⌚	✓
2023	Restructuring and planting vineyards in the EU - Unclear impact on competitiveness and limited environmental ambition	1a, 1c, 2a, 2b, 2c	⌚	✓
		1b, 2d	✓	✓
2024	Organic farming in the EU – Gaps and in consistencies hamper the success of the policy	1b, 2a, 2b, 2c, 3a, 3b, 3c	⌚	✓
2024	The Commission's systems for recovering irregular EU expenditure - Potential to recover more and faster	3	✓	✓
2024	Climate adaptation in the EU Action not keeping up with ambition	3c	⌚	✓
2024	Common Agricultural Policy Plans – Greener, but not matching the EU's ambitions for the climate and the environment	1	⌚	✓
		2, 3 first, second and third bullet	✓	✓
2025	EU funding to tackle forest fires – More preventive measures, but insufficient evidence of results and their long-term sustainability	2b, 2c	⌚	✓

State of play		Assurance	
✓	Action plan implemented	✓	No impact on the assurance
⌚	Action plan implementation is ongoing	⚠	Impact on the assurance
📄	Preparation of the action plan		

2.3. Assessment of the effectiveness of internal control systems

The Commission has adopted an Internal Control Framework based on the highest international standards ⁽⁷⁵⁾.

DG AGRI has adapted the Internal Control Framework to its specific characteristics and organisational structure. The internal control systems are suited to achieving its policy and internal control objectives in accordance with the internal control principles, having due regard to the risks associated with the environment in which it operates.

In order to assess the effectiveness of its internal control system, DG AGRI performed its internal control assessment in line with the Commission's internal Control Framework and in compliance with the methodology established in the 'Implementation Guide of the internal Control Framework of the Commission'. More detailed information on the internal control system in DG AGRI as well as an overview of the sources used can be found in Annex 8.

The annual results of the **six standard financial indicators** (see Annex 4 for more information) are in general very good. For all indicators, DG AGRI reached good results for the targets set at Commission level.

The IAS has not issued any critical recommendations for DG AGRI. The five pending 'very important' recommendations are very specific with a targeted scope and have no impact on the assurance. DG AGRI's continuous and systematic implementation of the IAS recommendations and subsequent follow-up by the IAS ensure that internal control systems in place remain robust.

Based on the methodology and information sources mentioned in Annex 8, DG AGRI has assessed its internal control system during the reporting year and has concluded that it is effective and the components and principles are present and functioning as intended.

2.4. Conclusions on the assurance

This section provides an overall conclusion supporting the declaration of assurance and whether it should be qualified with reservations ⁽⁷⁶⁾.

For **expenditure under shared management linked to the 2023-2027 CAP Strategic Plans** (81.3% of the shared management expenditure), assurance is provided through compliance with performance requirements and the proper functioning of governance systems ⁽⁷⁷⁾. There is a solid basis for assurance regarding the performance of the CAP Strategic Plan implementation, with 92% of the expenditure is under governance systems

⁽⁷⁵⁾ The Committee of Sponsoring Organizations of the Treadway Commission Internal Control Integrated Framework, the golden standard for internal control systems.

⁽⁷⁶⁾ It summarises the assessment of the elements covered in sections 2.1, 2.2 and 2.3. The criteria for reservations and DG AGRI de minimis thresholds are established in Annex 5.

⁽⁷⁷⁾ See 2.1.2.a).1

assessed as functioning well or partially. For the interventions under governance systems where potential serious deficiencies have been identified, Member States and the Commission will implement necessary measures to protect the EU budget.

For expenditure under **shared management outside the CAP Strategic Plans** (18.7% of shared management expenditure), the estimated risk at payment in 2025 is 3.46%. Greece accounts for 27% of this risk. Moreover, as the 2014-2022 Rural Development Programmes approached closure, it appeared that some Member States accelerated expenditure and maximised the absorption of available funds to mitigate the risk of decommitment. This may also have contributed to higher adjusted error rates and amounts under reservation and at risk ⁽⁷⁸⁾. The risk to the EU budget is systematically addressed through conformity clearance procedures and corrective measures implemented by DG AGRI.

The Director-General for Agriculture and Rural Development deems it necessary to make 51 reservations concerning specific interventions or measures under shared management expenditure for 2025, in line with the criteria set out in Annex 5.

Reservation Title	Financial impact (in m EUR)		Residual error Rate 2025	Evolution
	2024	2025		
Shared management under CSPs – IACS	Non-financial reservation	N/A See individual Paying Agencies in Annex 7 and 9	N/A	Maintained
Shared management under CSPs – Non-IACS	Non-financial reservation	N/A See individual Paying Agencies in Annex 7 and 9	N/A	Maintained
Shared management – EAGF Market measures (ABB02)	EUR 14.92 million	EUR 17.44 million	See individual Paying Agencies Annex 9	Maintained
Shared Management – EAGF Direct Payments (ABB03)	EUR 28.83 million	EUR 1.79 million	See Paying Agency in Annex 9	Maintained
Shared management – EAFRD Rural development (ABB04)	EUR 209.81million	EUR 281.49 million	See individual Paying Agencies Annex 9	Maintained

Table: 2.4-1

For the **interventions of the 2023-2027 CAP Strategic Plans under reservation, no financial impact is reported** ⁽⁷⁹⁾.

⁽⁷⁸⁾ See also the box on *Key Factors Behind the Results of the 2025 Assessment* in 2.1.2.a).

⁽⁷⁹⁾ See section 2.1.2.a).1

Follow-up of 2024 reservations

In its 2024 Annual Activity Report, DG AGRI issued 35 reservations at Paying Agency or measure level. Member States were requested to address the root causes of errors in order to remedy the weaknesses underlying the reservations where necessary.

DG AGRI follows up all reservations under ongoing conformity procedures or opens new audits to confirm if potential serious deficiencies identified either by Certification Bodies or by DG AGRI require further follow-up as serious deficiencies of the governance systems. One procedure for one reservation for IACS under CAP Strategic Plans has been completed so far.

As regards 2014-2022 Rural Development Programmes, in six cases, Member States were asked to continue ongoing action plans. Two of these action plans have been completed, and four are in the final stage of implementation. Member States were also asked to assess the impact of deficiencies for the implementation of CAP Strategic Plans and remedy them where appropriate. The Assurance and Audit Directorate of DG AGRI offers its opinion and checks on the spot at appropriate times the implementation of an action plan and remedial actions in accordance with its audit work programme. Detail on the follow-up of the reservations issued in 2025 is provided in Annex 9, part 3.

Conclusion

In conclusion, based on the elements reported above, management has reasonable assurance that, overall, effective controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director-General, in her capacity as Authorising Officer by Delegation has signed the Declaration of Assurance, albeit qualified by the indicated reservations.

2.5. Declaration of Assurance and reservations

I, the undersigned, Elisabeth Werner,

Director-General of DG Agriculture and Rural Development

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view ⁽⁸⁰⁾.

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the work of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

Confirm that I am not aware of anything not reported here which could harm the interests of the institution.

However, the following reservations should be noted (More details are provided in annex 9.):

- **IACS population under CAP Strategic Plans** - 19 reservations for 14 Member States: Austria, Belgium (1 Paying Agency), Germany (5 Paying Agencies), Denmark, Spain (2 Paying Agencies), Finland, Greece, Croatia, Hungary, Italy (1 Paying Agency), the Netherlands, Poland, Romania, Slovakia ⁽⁸¹⁾.
- **Non-IACS population under CAP Strategic Plans** - 15 reservations for 11 Member States: Belgium, Denmark, Spain (3 Paying Agencies), France (2 Paying Agencies), Greece, Ireland, Italy (1 Paying Agency), the Netherlands, Poland, Romania (2 Paying Agencies), Sweden ⁽⁸²⁾.
- **ABB 02 Market Measures** - 6 reservations for 3 Member States: Greece (two measures), France (two measures), Italy (two measures).
- **ABB 03 Direct Payments** – POSEI-SAA: 1 reservation for 1 Member State: Greece.
- **ABB 04 Rural Development** - 10 reservations for 10 Member States: Bulgaria, Spain (1 Paying Agency), France, Greece, Hungary, the Netherlands, Poland, Portugal, Romania, Slovakia.

Brussels, 27 April 2026

(e-signed)

Elisabeth Werner

⁽⁸⁰⁾ True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/Executive Agency.

⁽⁸¹⁾ Covering 56 out of 1737 interventions.

⁽⁸²⁾ Covering 26 out of 1118 interventions.

3. A MODERN AND SUSTAINABLE PUBLIC ADMINISTRATION ⁽⁸³⁾

3.1. Human resource management

Following the retirement of the former Director-General, a new Director-General was appointed and began duties in June 2025.

DG AGRI was at 56% female representation at the end of 2025. Out of 39 middle management posts, 22 were filled by women, 17 filled by men. There were 8 new appointments and internal changes at middle management level.

In 2025, the Human Resources Correspondent (HRC) team remained proactive in identifying solutions to address ongoing HR challenges and adapt to the latest developments. The HRC team revised procedures to align with the new recruitment model and continued implementing strategies to enhance geographical balance. In 2025 we recruited a total of 30 AD laureates/temporary agents and contract agents FG IV, out of which 12 were from under-represented Member States. Simultaneously, they addressed the challenges posed by delays in external competitions, the scarcity of specialised profiles, and reduced mission budgets.

The HRC team carefully monitored the job quota and oversaw all staff allocation decisions, including the follow up of temporary allocations. In a context of continuous pressure on our limited staff, sustained high workload and very tight deadlines, the HRC team ensured that resources are used as efficiently as possible, and in line with the DG's policy and operational priorities.

Staff engagement remained a key priority for DG AGRI. Three new development programs were launched in 2025: the Leadership Development Programme for M365 Champions, the Seeds for Growth Development Programme, designed for AGRI staff across all categories, and the Team Leaders Development Programme. DG AGRI furthermore reinforced its commitment to diversity and inclusion by establishing a new permanent contact point for related matters. AGRI's participation in the 'Diversity Month of May' included organising various activities, such as a diversity walk and publishing an article on the intranet that highlighted the experiences of LGBTQ+ youth in rural areas.

Several local actions were implemented to encourage the use of TEAMS and AI among staff. DG AGRI participated in a pilot initiative led by DG HR, hosting the first EC Roadshow on Modern Ways of Working. Additionally, the IC team has created and implemented the 'Meetings but better' campaign.

3.2. Digital transformation and data management

In 2025 DG AGRI addressed all 5 strategic objectives set out in the EC Digital Strategy.

⁽⁸³⁾ Annex 10 provides further details for the three areas.

Digital culture

- A dedicated *M365 roll-out programme* was implemented, including a Leadership Development Programme for local TEAMS Champions and a TEAMS Clinic to offer dedicated technical support to all units. DG AGRI also hosted a *Roadshow on Modern Ways of Working* in close collaboration with DG HR.
- The *Network of Informatics Correspondents* met twice and is a key instrument for spreading a digital culture, sharing information about digital tools and best practices.
- A *Cyber Awareness Lunchtime presentation* took place in July 2025. The DG AGRI Cyber Ambassadors published several articles on the intranet and ran a quiz on cybersecurity open to all DG AGRI colleagues.

Digital-ready policymaking (DRPM)

- When launching the IT Master Plan, DG AGRI reminded staff to consider IT needs from the start of planning new EU regulations, referring to Better Regulation tool #28 on Digital-ready policymaking (DRPM).
- Unit “Data governance”, responsible for digital statements and interoperability assessments, assisted by “Digital solutions” unit, assessed 72 initiatives, 11 of them were digitally relevant.
- About 70% of the IT budget was used for policy-supporting Information Systems.

Business-driven digital transformation

- Most of the automated business processes related to the implementation of the CAP 2023-2027 were improved and adapted. 9 new business processes were automated using Compass Corporate.
- End-to-end integration with SUMMA was completed for most of the financial processes related to EAGF, EAFRD and IPARD.
- Performance Monitoring and Evaluation Framework (PMEF) now provides an interactive promotion screen and an activity log, which help the process of data quality assessment.
- The IDSAP ⁽⁸⁴⁾ module for receiving requests became operational in December 2025, thus partly automating the business process for secured access to FSDN ⁽⁸⁵⁾ data.
- The development of ELAN1-L module was completed in TRACES-NT, thus allowing the dematerialisation of certain non-custom formalities.
- 15 more business intelligence applications assembling data in clear and understandable visualisations were developed and 24 applications underwent major updates.
- DG AGRI AI Lab conducted several successful POCs, leading to actionable results in terms of AI-based solutions. The PMEF indicators databot, allowing DG AGRI users to query the PMEF indicators dataset in natural language, was released in December 2025.

Seamless digital environment

- Following the EC IT Governance's "cloud-first" strategy, the Agri-food Data Portal is hosted on Microsoft Azure. Several Information Systems are made cloud-ready and hosted in the DIGIT hybrid cloud (63%).

⁽⁸⁴⁾ Individual Data Secured Access Platform

⁽⁸⁵⁾ Farm sustainability data network

- Most Information Systems use modules of the Reusable Solutions Platform (RSP), like EU Login, eUI, CNS, Compass Corporate/MyWorkplace, Corporate Search, API Gateway, eTranslation. Technological alignment at the level of the IT Portfolio continued by gradually migrating from custom solutions to corporate solutions.

Green, secure and resilient infrastructure

- DG AGRI Information Systems are compliant with EU-Login and MFA requirements.
- all DG AGRI operational Information Systems have a security plan based on the ITSRM methodology. The risk studies are encoded in the GOVSEC tool.
- DG AGRI attested all security controls for its operational systems in the GRC tool, reduced non-compliant CIS controls in 2025, and is implementing remaining remediation actions.
- DG AGRI uses the DG DIGIT's c-LISO service. Monthly coordination meetings between c-LISO and unit "Digital Solutions" took place in 2025.

Underpinned by DG AGRI's Data and AI Action Plan, key data on agriculture and the CAP are processed and made available via AGRIVIEW, the DG's umbrella data warehouse⁽⁸⁶⁾. Data are accessible through an internal portal and the public **Agri-food Data Portal**, a cornerstone for open agricultural data. The portal provides data and visuals on indicators, farm economics, geoportals, CAP financing, food security⁽⁸⁷⁾ and agricultural markets for internal and external users, supporting evidence-based decisions, transparency and research. The Agri-food Data Portal has been upgraded with additional indicators from the new Policy Monitoring and Evaluation Framework (PMEF) and a more modern interface and AI is being developed.

Responding to the ECA special report on big data, a new data flow on disaggregated CAP support by beneficiaries and interventions was introduced, with Member State submissions in April 2025. These validated data are now available within DG AGRI and on request to evaluators, enabling more granular analysis of CAP implementation.

Following the Interoperable Europe Act (early 2025), DG AGRI has aligned its procedures with corporate requirements on Digital-ready policymaking, drawing on lessons from 72 digital checks. Data gaps from the previous programming period are being tackled through new data sources (including spatial data), greater interoperability, and automation of data retrieval and processing from external providers such as Eurostat.

Use of **SFC2021** is promoted to comply with "digital-by-default" and "once-only" principles and in 2025 supported data collection for the Annual Performance Review and the Interventions and Beneficiaries dataset. Particular attention is given to implementing data-protection rules.

DG AGRI also contributes to implementing the Data Strategy's legal instruments and establishing the Common Agricultural Data Space, taking initial steps towards a single market for agricultural data.

⁽⁸⁶⁾ AGRIVIEW integrates sources such as ISAMM, FADN, ESTAT and SFC.

⁽⁸⁷⁾ On food security for example, data can be found on import dependency, self-sufficiency rates and food price inflation, as well as other relevant information.

DG AGRI's overall data maturity level for 2025 is either established (data management, data ownership, data quality) or advanced (data skills).

DG AGRI puts a strong focus on compliance and implementation of the applicable corporate guidelines on personal **data protection**. Several dedicated actions were taken in 2025 in this regard, aimed at raising awareness and ensuring compliance.

3.3. Sound environmental management

DG AGRI consistently worked to reduce the environmental impact of its activities in alignment with the priorities set by the [Commission's Eco-Management and Audit Scheme](#) (EMAS). Strategies to enhance environmental awareness among colleagues included organising two successful clothes swap events and participating in the annual editions of Velo Mai and the Walking Challenge. Towards the end of the year, DG AGRI launched a promotional campaign to encourage waste reduction during the Christmas season.